Notes to the consolidated financial statements

1. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

General Information

The consolidated financial statements of TAKKT AG, Stuttgart, have been drawn up in accordance with the regulations issued by the International Accounting Standards Board (IASB) and section 315e of the German Commercial Code (HGB). The interpretations (IFRIC – International Financial Reporting Interpretations Committee and SIC – Standards Interpretations Committee) by the IFRS Interpretations Committee (IFRS IC) have been taken into account. All International Financial Reporting Standards (IFRS) valid at the closing date and approved by the Commission of the European Union (EU) have been applied.

TAKKT AG, Presselstr. 12, 70191 Stuttgart / Germany, registered under HRB 19962 with the German Commercial Register of the Stuttgart local court, is the Group's parent company. The consolidated financial statements as of December 31, 2022, prepared in accordance with IFRS, the management report of TAKKT AG and of the TAKKT Group, the separate financial statement of TAKKT AG prepared in accordance with the HGB and all other required documentation according to section 325 of HGB will be submitted to the Company Register.

The consolidated financial statements have been prepared in euros. Unless specified differently, figures are rounded on the nearest thousand. In order to improve clarity, various items are grouped in the statement of financial position and statement of income. A breakdown of the individual amounts is provided in the notes. The balance sheet has been divided into current and non-current items in accordance with IAS 1. Assets and liabilities are classified as current if they are due within twelve months. The statement of income was prepared in accordance with the nature of expense method.

The consolidated financial statements and the combined management report of TAKKT AG and the Group were approved by the Management Board for submission to the Supervisory Board on March 10, 2023.

New Reporting Standards

The following reporting standards and interpretations, having been passed or amended by IASB and IFRS IC and endorsed by the EU, were mandatory for the first time in the 2022 financial year for TAKKT:

Standard		Status	Applicable from
Amendment IFRS 3	Business Combinations – Reference to the Conceptual Framework	amended	1/1/2022
Amendment IAS 16	Property, Plant and Equipment – Proceeds before Intended Use	amended	1/1/2022
Amendment IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	amended	1/1/2022
Annual Improvement to IFRS Standards 2018 – 2020 Cycle	Amendment to IFRS 1; IFRS 9; IFRS 16 and IFRS 41	amended	1/1/2022

None of the amended IFRS requiring first-time application in the current financial year has a significant impact on the net assets, financial position and results of operations at TAKKT.

The IASB and IFRS IC have passed new and revised standards which TAKKT must only apply starting January 01, 2023 or later. Some of these standards still have to be approved by the EU prior to their application.

Specifically, these include the following reporting standards and interpretations:

Endorsed by EU-commission

Standard		Status	Applicable from
IFRS 17, Amendment IFRS 17	Insurance Contracts – Amendments to IFRS 17 Insurance Contracts, Initial Application of IFRS 17 and IFRS 9 – Comparative Information	new	1/1/2023
Amendment IAS 1, IFRS Practice Statement 2	Disclosure of Accounting policies	amended	1/1/2023
Amendment IAS 8	Definition of Accounting Estimates	amended	1/1/2023
Amendment IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	amended	1/1/2023

Not yet endorsed by EU-commission

Standard		Status	Applicable from
Amendment IAS 1	Classification of Liabilities as Current or Non-current	amended	1/1/2024 *
Amendment IAS 16	Lease liability for sale- and leaseback-transactions	amended	1/1/2024 *

* expected

The option of applying standards already approved by the IASB early is not utilized. According to current estimates, an earlier application would have had no material effects on net assets, financial position and results of operations. According to current estimates, the other new or amended standards will not have material effects on net assets, financial position and results of operations.

The consolidated financial statements have been prepared using the same accounting and valuation principles as in the previous year.

Scope of consolidation

TAKKT is a B2B direct marketing specialist for business equipment and is active in more than 25 countries. The consolidated financial statements include all companies that are controlled by TAKKT according to IFRS 10. The fully consolidated subsidiaries are 100 percent investments. Thus, besides TAKKT AG, 15 (17) domestic and 39 (41) foreign companies are included in the consolidated financial statements.

The number of fully consolidated companies has changed as follows in comparison to December 31, 2021.

Event	Subsidiary	Segment
Merger	gaerner GmbH, Duisburg / Germany	Industrial & Packaging
Merger	gaerner Gesellschaft m.b.H., Elixhausen / Austria	Industrial & Packaging
Merger	gaerner AG, Zug / Switzerland	Industrial & Packaging
Merger	Davpack Kartons und Verpackungsmaterialien GmbH, Markkleeberg / Germany	Industrial & Packaging

As of December 31, 2022, no associated companies were included in the consolidated financial statements. Two domestic associated companies were disposed of during the previous year.

On December 31, 2022, Franz Haniel & Cie. GmbH, Duisburg / Germany, which is registered in the German Commercial Register of the local court of Duisburg under the number HRB 25, holds 65.0 (59.45) percent of the voting shares in the share capital of its subsidiary TAKKT AG. The TAKKT Group will therefore be included in the latter's consolidated financial statements, which are available at the Company Register.

Principles of consolidation

Subsidiaries are fully consolidated from the date TAKKT AG has obtained control over the investee according to IFRS 10 Consolidated Financial Statements either directly or indirectly. Control exists if TAKKT holds decision-making power over the relevant activities of the investee based on voting or other rights, if it has exposure or rights to the variable returns from its involvement with the investee and if it has the ability to use its decision-making power over the investee to affect the amount of the variable returns.

A structured entity is an entity that has been designed in a way that voting or similar rights are not the dominant factor in deciding who controls the entity. A structured entity´s activities are often limited, its objective is narrow and well-defined or its equity is insufficient. The entity is subject to consolidation if TAKKT controls it according to IFRS 10 Consolidated Financial Statements.

Associated companies are included in the consolidated financial statements from the date TAKKT has the ability to exercise significant influence on operating and financial policy. Significant influence is generally assumed if the Group holds a share of voting rights of 20 percent to 50 percent. Associated companies are generally included in the consolidated financial statements using the equity method.

A subsidiary is deconsolidated at the date TAKKT has lost control of the subsidiary.

The consolidated financial statements and all separate financial statements have the same balance sheet date, December 31, 2022. The separate financial statements of the domestic and foreign subsidiaries included in the financial statements were prepared using uniform accounting and valuation principles.

Business combinations are accounted for in accordance with IFRS 3 Business Combinations using the acquisition method. Basis are the fair values at the date on which TAKKT Group obtained control over the acquired company. The part of the purchase price which was transferred in a business combination in the expectation of future positive inflows of funds from the business combination and which cannot be allocated to the fair value of identified or identifiable assets within the scope of the complete new valuation method is reported as goodwill in non-current assets.

In accordance with IFRS 3 Business Combinations, the respective goodwill is not amortized but subjected to an impairment test according to IAS 36 Impairment of Assets once a year or during the year if indicated by the occurrence of triggering events. Additional details on this can be found on page 96 et seq. Incidental costs incurred during a business combination are recorded as expense.

Capital consolidation was carried out by eliminating the carrying amount of the investments against the shareholder´s share of the subsidiary´s equity.

Intercompany profits and losses, sales, expenses and income as well as all receivables and liabilities between the Group subsidiaries were eliminated. Guarantees and warranties that TAKKT AG or a consolidated subsidiary issues in favor of other consolidated subsidiaries are eliminated. Intercompany profits contained in current and non-current assets resulting from intercompany deliveries and services were eliminated.

Deferred taxes were recognized for consolidation transactions in accordance with IAS 12 Income Taxes, provided that the tax differences are expected to reverse in future financial years.

Within TAKKT Group there are no non-controlling interests in equity, profit and comprehensive income.

Currency translation

TAKKT AG's reporting currency is euro. In accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates, currency is translated using the functional currency method. Since all companies manage their businesses financially autonomously, the respective local currency is identical to the functional currency. Under the functional currency concept, assets and liabilities of all subsidiaries not reporting in euros are translated using the closing rate on the reporting date, whereas income and expenses are translated using the average exchange rate for the year. Currency differences from the translation of foreign financial statements into the Group currency are recorded in Other comprehensive income without any effect on profit.

If a foreign business operation is disposed of, currency differences, which until then were recorded in Other comprehensive income without any effect on profit, are recorded in the statement of income.

The TAKKT Group does not operate subsidiaries in high-inflation countries.

In the separate financial statements of the TAKKT Group companies, transactions in foreign currencies are translated at the rate prevailing at the date of the transaction. Assets and liabilities in foreign currencies are translated at the rate prevailing at the reporting date. Exchange differences are primarily recognized under Other operating expenses in the statement of income of the separate financial statements.

Material exchange rates for TAKKT Group

		Year-end rates		Average rates	
Currency	**Country**	**2022**	2021	**2022**	2021
USD	USA	1.0666	1.1326	1.0512	1.1821
CHF	Switzerland	0.9847	1.0331	1.0044	1.0808
GBP	UK	0.8869	0.8403	0.8522	0.8594
SEK	Sweden	11.1218	10.2503	10.6191	10.1458
CAD	Canada	1.4440	1.4393	1.3678	1.4818

Accounting and valuation principles

Sales include sales of products and services less cash discounts, rebates and accruals from customer loyalty programs. In principle, sales are recognized when the control over the products or services is transferred to the customer. This occurs either at a certain point in time or over a certain period of time. TAKKT fulfills the performance obligations essentially at a certain point in time. This is the case if the customer has the ability to use the asset and decide its further use. The sale of the various products and services generally takes place at customary payment terms and does not include a financing component. The consideration received does not comprise any variable purchase price components. Sales are recorded at the fair value of the consideration expected. Return rights of customers are taken into account through the recognition of an asset from return claims and the recognition of a refund liability.

Material guarantees above and beyond the legal requirements are not granted. Loyalty award credits which are granted as part of a customer loyalty program are deferred in sales by forming a contractual liability measured at fair value under Current Other liabilities.

Other operating income is realized if the incoming economic benefit is probable and the amount can be determined reliably.

Advertising costs are expensed as soon as the company has the right to access the advertising material and / or has received the service associated with the advertising activities.

Impairments are carried out if the asset’s recoverable amount has fallen below the book value (amortized cost). The recoverable amount is defined as the higher value of the asset’s fair value less cost to sell and the present value of future cash flows from the usage of the asset (value in use).

Interest income and interest expenses not requiring capitalization in accordance with IAS 23 are recognized in the proper period using the effective interest method.

Income tax expense includes income tax as well as deferred tax expense that is recognized in profit or loss. The income tax for the year is determined based on the taxable income according to the tax regulations of the specific countries and taking the respective applicable tax rate into account.

Property, plant and equipment is capitalized at acquisition or manufacturing costs less scheduled depreciation and any impairments. If the reasons for an impairment no longer exist, the impairment is reversed. The new value must not exceed the amortized cost. The costs of self-constructed property, plant and equipment include direct costs as well as those portions of overhead costs directly attributable to the construction.

Property, plant and equipment is generally depreciated using the straight-line method over its useful economic life, which in the case of leasehold improvements maximally equals the term of the underlying lease agreements. Depreciation is based on the following useful lives in the Group:

	Useful life in years	
	2022	2021
Buildings (incl. leasehold improvements)	1 – 50	1 – 50
Plant, machinery and equipment	3 – 16	3 – 16

Net book values and useful lives are reviewed at each reporting date and adjusted, if necessary.

According to IFRS 16, a **lease** is an agreement under which the lessor transfers control of the use of an identified asset to the lessee for an agreed period in return for payment of a fee. TAKKT as lessee recognizes a right-of-use asset for the leased asset as well as a corresponding lease liability for generally all leases. TAKKT makes use of practical expedients for leased assets of low value as well as for short-term leases (12 months or less, excluding real estate). TAKKT does not apply the standard to leases involving intangible assets. The lease payments for which TAKKT makes use of practical expedients are recognized as lease expenses in accordance with the practical expedients.

The lease liability is generally measured as the present value of future lease payments. The valuation of the lease liability includes the fixed lease payments less incentives to be received as well as lease payments dependent on an index or an (interest) rate. Additionally, expected payments in connection with residual value guarantees and payments based on purchase options deemed reasonably certain as well as lease payments based on the reasonably certain exercise of extension and termination options are considered.

If possible, the interest rate underlying the lease contracts is used to determine the present value. Usually this rate is not available at TAKKT thus the lessee's incremental borrowing rate is used in these cases. The incremental borrowing rate is determined using the build-up approach in which the risk-free interest rate represents the basis which is adjusted for the credit risk of the lessee, the lease term as well as the underlying currency of the lease.

Lease liabilities are recognized as non-current and current financial liabilities depending on their maturity. The lease liability is subsequently measured at amortized cost using the effective interest method meaning the lease instalments are divided into a repayment and an interest component. The interest portion is recognized as finance expense.

At the commencement date of the lease term, the amount of the right-of-use asset generally corresponds to the amount of the lease liability. Deviations may result from the consideration of initial costs incurred in connection with obtaining the lease, any advance payments made and lease incentives received prior to the commencement date as well as any costs of vacating and demolition. The right-of-use assets are recognized at acquisition costs less scheduled depreciation and any impairments. The right-of-use assets are depreciated on a straight-line basis over the expected useful economic life or throughout the shorter lease term of the lease contract. If the exercise of a purchase option is assessed reasonably certain and if the transfer of ownership is expected at the end of the lease term, the right-of-use asset is depreciated throughout the useful economic life of the underlying asset.

Contracts can contain both lease and non-lease components. TAKKT assigns the transaction price to these components on the basis of their relative stand-alone selling prices. Leases for vehicles constitute an exception. In these cases, TAKKT makes use of the option not to split lease and non-lease components but to account the whole contract as a lease contract.

TAKKT is exposed to possible future increases in variable lease payments that may result from a change in index or (interest) rate. These possible changes to the lease payments are not considered in the lease liability until they take effect. Accordingly lease liabilities are adjusted as soon as changes in an index or (interest) rate affect the lease payments.

When determining the lease term, extension and termination options are taken into consideration if the exercise of these options is considered reasonably certain. When determining the lease term at the date of availability, TAKKT considers all facts and circumstances that provide an economic incentive to exercise extension options or non-exercise termination options. A reassessment of the original estimate is carried out when a significant event or change in circumstances occurs and this possibly affects the previous assessment if the significant event or change in circumstances is within the lessee's control. The assessment is reviewed at the latest when an extension or termination option is in fact being exercised (or not exercised).

TAKKT acts as lessor for a small number of leases. These are classified as operating leases. In these cases the underlying asset (or in the case of subleases the right-of-use asset from the main lease) continues to be recognized in the balance sheet. The lease payments received are recognized as lease income.

Where there is a transfer of control according to IFRS 15 in sale and leaseback transactions, TAKKT, as seller and lessee, recognizes the right-of-use asset associated with the leaseback in accordance with IFRS 16 as the portion of the previous carrying amount of the underlying asset that relates to the right-of-use asset retained by the seller. The gain or loss on the sale transaction is recognized in profit or loss on a pro rata basis to the extent of the rights transferred to the lessor. If there is no transfer of control, the transaction is accounted for as a financing transaction. The asset legally underlying the lease is not derecognized but depreciated in accordance with the previous rules. It is not recognized as a lease.

For **goodwill** and **intangible assets with an indefinite useful life**, as these do not generate any independent cash flows, recoverability of the capitalized book value is reviewed once a year or, if indicated by triggering events also during the year, at the level of cash generating units in accordance with IAS 36 Impairment of Assets. In the year under review, the TAKKT Group had a total of 6 (7) cash generating units.

The impairment test is based on a detailed plan of the future cash flows before interest and taxes less capital expenditure on maintenance and replacements less changes in the net working capital for a period of five years and perpetuity following the detailed planning period. This detailed planning is based on financial plans approved by the responsible management, which are also used for internal purposes. The main assumptions for planning relate to the underlying sales growth and operational margin in the detailed planning period as well as the growth in perpetuity for the years following it. When detailed plans are produced, past developments and expectations regarding future market trends are taken into account. The growth in perpetuity is determined that it lies below the long-term average organic growth and below the long-term average expected future market growth.

The determined cash flows are discounted individually with the weighted average cost of capital (WACC) before tax calculated for every cash generating unit in order to determine the value in use of the cash generating unit. Based on a WACC rate after taxes derived from the Capital Asset Pricing Model, the WACC rate before tax is calculated using an iterative procedure for which the value in use before tax equals the value in use after tax. Cost of equity was determined using a risk-free interest rate as well as a risk markup per cash generating unit resulting from a market risk premium and an average relevered beta factor of the peer group. Cost of debt consists of a risk-free interest rate plus a risk markup (credit spread).

The recoverable amount – i.e. the higher of value in use or fair value less costs to sell, which may be calculated subsequently – is then compared with the respective book value. If this amount is below the book value of the cash generating unit, an impairment is recognized on goodwill and, if required, on the other assets of the cash generating unit concerned.

Brands are entered with an indeterminate useful life as long as the right of use for the brands can be utilized indefinitely and the level of awareness is permanently maintained by advertising.

Purchased **intangible assets with a determinable useful life** are valued at acquisition cost plus incidental acquisition costs less amortization using the straight-line or declining balance method in line with usage and any impairment. The net book values and useful lives are reviewed at every reporting date and adjusted if necessary.

Amortization within the Group was based on the following basic useful lives:

	Useful life in years	
	2022	2021
Goodwill	indefinite	indefinite
Brands	indefinite	indefinite
Customer relationships	3 – 10	3 – 10
Domain names	5 – 10	5 – 10
Catalog- / web design	3	3
Software, licenses and similar rights	2 – 7	2 – 7

In deviation from the basic useful lives, the useful life for individual brands or internet domains is one year.

If not subject to capitalization according to IAS 38 Intangible Assets, r**esearch and development costs** are recognized in the statement of income when incurred. Development costs are capitalized when the recognition criteria of IAS 38 are met. **Internally generated intangible assets** are recognized at acquisition and manufacturing costs less scheduled amortization and impairment. Capitalized development costs include all directly attributable costs and proportionate overhead costs and are amortized over the expected useful life using the straight-line method.

Investments in associates are accounted for using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. Based on the acquisition costs of the shares in the associated company, the respective carrying amount of the investment is increased or decreased by any changes in equity affecting profit or not affecting profit as far as these changes are attributable to the shares of TAKKT. Dividends received from the investee reduce the book value. Goodwill included in the carrying amount is determined in accordance with the principles of full consolidation and is not amortized. An impairment test is performed if there are substantial indications of a potential impairment for the entire carrying amount of the investment.

Financial assets and financial liabilities are divided into the following measurement categories:

Financial assets
- Debt instruments measured at amortized cost
- Debt instruments measured at fair value through other comprehensive income
- Debt instruments, derivatives and equity instruments measured at fair value through profit and loss
- Equity instruments measured at fair value through other comprehensive income

Financial liabilities
- Financial liabilities measured at amortized cost
- Financial liabilities measured at fair value through profit and loss

The classification of financial assets into the different categories is based on the way in which they are managed (the so-called business model condition in accordance with IFRS 9) and on the characteristics of the asset´s contractual cash flows (so-called cash flow condition according to IFRS 9).

The classification is determined at the date of acquisition and reviewed as of each reporting date. Financial assets are initially recognized at fair value and, provided they are not subsequently measured at fair value through profit or loss, plus transaction costs.

Depending on the underlying “business model”, debt instruments whose cash flow characteristics consist exclusively of interest and repayments of outstanding principal are classified as subsequently measured either at amortized cost (“hold”) or at fair value through other comprehensive income (“hold and sell”). All remaining debt instruments are measured at fair value through profit or loss. Debt instruments valued at amortized cost are generally accounted for using the effective interest method and are subject to the impairment requirements of IFRS 9.

For equity instruments, a valuation at fair value through profit or loss is required. This does not apply to equity instruments that are not held for trading and for which the option to measure at fair value through other comprehensive income is irrevocably exercised upon initial recognition. This option, which is exercisable on a case-by-case basis, is used in the TAKKT Group exclusively for investments in unlisted corporate entities. Gains and losses from changes in fair value are recognized in other comprehensive income with no effect on income. Such changes in value recognized in other comprehensive income are never reclassified to the income statement. Dividend payments, on the other hand, are recognized in profit or loss. The equity instruments are not subject to any impairment requirements.

For debt instruments, derivatives and equity instruments of the category at fair value through profit or loss, directly attributable transaction costs and changes in fair value are to be recognized in profit or loss in the income statement. They are not subject to any impairment requirements. In the TAKKT Group, only venture capital funds and derivatives for which no formal hedge accounting is applied are within this measurement category.

IFRS 9 uses the expected credit losses model as the impairment model for financial assets. In principle, expected credit losses must be taken into account when the financial asset is recognized for the first time. In order to determine the expected credit losses on debt instruments, which are measured subsequently at amortized cost, rating-dependent probabilities of default and market default rates are to be used for each financial instrument. At TAKKT, mainly the trade receivables are in the scope of application of this new model.

Financial liabilities, which are not classified into the measured at fair value through profit and loss category, after initial recognition are measured at amortized cost, using the effective interest method where appropriate. Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading. At TAKKT, these are exclusively derivatives which are classified as held for trading and which are not included as hedging instruments within hedge accounting.

Purchases and sales of financial assets or securities of all categories are accounted for on the Settlement Date.

Financial assets and liabilities are reported net in the balance sheet if there is currently a legally enforceable right to offset. In addition, there must be an intention to settle on a net basis or to settle the associated liability and realize the financial asset simultaneously. Otherwise, the financial asset and liability are shown without offsetting in the balance sheet. Accordingly, related expenses and income are reported net to a limited extent.

Fair values for every financial instrument category according to IFRS 7 generally correspond to book values. This applies directly to financial instruments that are shown in the balance sheet at fair value. For financial assets and liabilities measured at amortized cost, the book value generally represents a sufficient approximation of the fair value. If this is not the case, additional details are provided. The other receivables and payables are either current or subject to a variable market interest rate.

The input factors used for the valuation techniques to measure fair value are divided into the following levels:

Level 1:	Quoted prices in active markets accessible to the company for the identical asset or liability.
Level 2:	Input factors other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3:	Input factors for the asset or liability that are unobservable.

Sometimes, the input factors used to measure the fair value of an asset or liability might be categorized within different levels of the valuation hierarchy. In such cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Financial instruments at TAKKT recognized at fair value relate to investments, derivative financial instruments and contingent considerations. They are subject to a recurring fair value measurement. Derivative financial instruments are included in current Other receivables and assets as well as in current Other liabilities and relate to level 2. The investments as well as contingent considerations included in current Other liabilities relate to level 3.

Should it prove necessary to reclassify assets and liabilities carried at fair value on a recurring basis into a different level – for example because an asset is no longer traded on an active market or is being traded for the first time – they are reclassified at the end of the reporting period.

The fair value of financial instruments traded on an active market is based on the prices quoted on the reporting date. When level 2 assets and liabilities are measured at fair value on a recurring basis, the discounted cash flow method is used. This means that the future cash flows which the financial instruments are expected to generate are discounted using maturity-matched market interest rates. The creditworthiness of the respective debtor is taken into account by considering risk premiums depending on rating and term in the discount factors. The risk premiums are determined using prices for fixed-income securities observable on markets.

The valuation of venture capital funds is based on the so-called Adjusted Net Asset Method. Under this method, the fair values of the individual investments, determined by the fund on the basis of recognized valuation methods, are aggregated and adjusted for appropriate illiquidity discounts for the overall fund. In the case of investments in unlisted corporate entities, the valuation is derived from additional capital contributions by the investors or from the share price a third and new party has to pay in the course of another round of financing (Price of Recent Investment Valuation Method).

The contingent considerations´ fair value is calculated by risk-adjusted discounting the most likely expected value for the amount to be paid.

Inventories are recognized at the lower of acquisition respectively manufacturing costs or net realizable value. In general, a value based on the FIFO method (first in, first out) is applied. The manufacturing costs include not only the directly attributable materials used for production and wages but also appropriate portions of the indirect material and production overhead costs. There are no relevant borrowing costs due to the nature of the company's business. Obsolescence reserves were made, taking into account the expected sell-down period of the inventories. If the reasons for the write-downs no longer apply, the original reserves are released.

Trade receivables are initially recognized at the transaction price, which corresponds to the consideration paid in exchange for the transfer of goods or services to a customer. They are subsequently measured at amortized cost in accordance with the effective interest method. The simplified impairment approach is applied, under which the expected credit losses over the term are measured by an impairment matrix for initial recognition and subsequent measurement at TAKKT. In addition to the age of the receivables, the general credit risk and past experience, current and predicted conditions are taken into account. Trade receivables are derecognized if, according to a reasonable assessment, no recovery is possible.

The investments (equity and debt instruments) and derivatives included in **Other assets** are measured at fair value, the remaining assets at amortized cost.

Income tax or other tax receivables and income tax or other tax payables are measured using the amount expected to be received from or paid to the tax authorities. Calculation of the amount is based on the tax rates and laws applicable as of the closing date in the countries in which the taxable income is generated or the underlying transaction takes place.

Derivative financial instruments such as forward foreign exchange contracts and interest rate swaps are generally used for hedging purposes to reduce currency and interest risks from operating activities or the financing requirements resulting from these activities. At TAKKT, derivative financial instruments are used to either hedge the fair value of a balance sheet asset or liability (fair value hedge) or to hedge a future cash flow from a firm commitment or forecast transaction (cash flow hedge). They are not undertaken for trading purposes or for reasons of speculation.

The fair value of a forward foreign exchange contract corresponds to the difference in the present values of the nominal amount at the fixed forward rate and the nominal amount at the forward rate at the reporting date. The fair value of an interest rate swap is equal to the present value of the future cash flows resulting from this derivative instrument. The cash flows are discounted using rating- and maturity-matched interest rates in line with the interest rate curves of the respective currency.

Accounting for derivative financial instruments occurs in Other receivables and assets or in Other liabilities as soon as purchase or sales contracts are made.

According to IFRS 9, all derivative financial instruments are to be recognized at fair value, irrespective of their purpose or intention. Fair value changes in derivative financial instruments for which hedge accounting is applied are recognized either in the income statement (fair value hedge) or, if it is a cash flow hedge, in other comprehensive income, taking into account deferred taxes. Derivative financial instruments for which no formal hedge accounting is used are to be classified into the category debt instruments, derivatives and equity instruments measured at fair value through profit or loss.

In a fair value hedge, derivatives are used to hedge balance sheet positions. The results from the fair value measurement of the hedging instruments are recognized in profit or loss. The changes in fair value of the underlying transactions attributable to the hedged risk are also recognized in profit or loss as book value adjustments. As part of a cash flow hedge, derivatives are used to hedge future cash flow risks from existing underlying transactions or planned transactions. The hedge-effective portion of the fair value changes in derivatives is initially recognized in Other comprehensive income.

The treatment of amounts recognized in Other comprehensive income depends on the nature of the underlying transaction. If the hedged transaction results in the recognition of a non-financial asset or a non-financial liability, the amount recognized in Other comprehensive income is taken into account when determining the initial cost or other carrying amount. For all other types of hedged underlying transactions, reclassifications to profit and loss are made at the same time as the underlying transaction has an impact on profit and loss. The hedge-ineffective portion of the fair value changes in derivatives is recognized directly in the income statement. Changes in the fair value of derivative financial instruments are recognized immediately in profit or loss in cases where hedge accounting is not applied. No fair value hedge accounting is applied at TAKKT.

Deferred taxes are recognized for all temporary differences between the relevant tax balance sheet and the IFRS balance sheet – with the exception of goodwill, if it is not tax deductible – as well as for loss carry forwards. Deferred tax assets are impaired if their realization cannot be expected with a significant degree of confidence. For the probable use of losses, the five-year budget of the individual company and its loss history are considered. Deferred taxes were calculated using the respective local tax rates. Tax rate changes determined at the reporting date have been taken into account for the calculation of deferred taxes. The netting of deferred taxes is carried out according to the rules of IAS 12 if they relate to the same tax authority and the right to offset current tax refund claims and liabilities is legally enforceable. Provided that items were entered in Other comprehensive income with no effect on profits and loss and imply a change in deferred taxes, these deferred taxes were also recognized in Other comprehensive income with no effect on profit and loss. All other changes in deferred taxes are recognized in the statement of income.

In accordance with IAS 19 Employee Benefits, **pension provisions and similar obligations** are calculated using the actuarial projected unit credit method. Determination of the defined benefit obligations is carried out by independent actuaries on an annual basis. In calculating these contractual obligations, prevailing long-term capital market interest rates as well as current assumptions about future salary and pension increases are considered in addition to biometric calculation bases. The actuarial interest rate is determined using a yield curve approach per currency area on the basis of yields on fixed-rate corporate bonds rated at least by one well-known rating agency with a rating of at least AA. For the eurozone, the corporate bonds of the iBoxx ™ Corporates AA are applied. The probability of employee fluctuation was considered, depending on the job tenure in the company and the age of the beneficiaries. Direct pension commitments in Germany are derived using Prof. Dr. Klaus Heubeck's biometric calculation tables 2018 G.

Actuarial gains and losses resulting from changes in actuarial assumptions and / or from deviations between previous actuarial assumptions and actual developments are recognized immediately in Other comprehensive income as soon as they are incurred with no effect on profits and taking deferred taxes into account. The actuarial gains and losses immediately recorded in Other comprehensive income and associated deferred taxes are not reclassified to profit and loss in subsequent periods. The actuarial gains and losses recorded in a given reporting period and the applicable deferred taxes are presented separately in the statement of comprehensive income.

Net interest expense is determined by applying the actuarial interest rate determined at the end of the prior financial year to the pension provisions calculated at this point. The same interest rate is used for pension obligations and plan assets. Net interest expense is reported in Finance expenses. Current and past service costs are reported in Personnel expenses. Past service costs arising from plan amendments and curtailments are recognized in profit and loss in the period in which they occur.

With the exception of other personnel-related provisions calculated in accordance with IAS 19 Employee Benefits respectively IFRS 2 Share-based Payment, **Other provisions** are made on the basis of IAS 37 Provisions, Contingent Liabilities and Contingent Assets at the best estimate of the amount to be paid if a current legal or factual external obligation exists which is based on transactions or incidents in the past. The outflow of resources must be probable and calculable. Other provisions with a maturity of over one year are discounted using maturity-matched interest rates. Provisions are reviewed on a regular basis and adjusted to the best estimate currently available if new insights are obtained or circumstances have changed. If it is not probable any more that fulfilling the obligation is connected to the outflow of resources, a provision is released.

Restructuring provisions are created if a detailed, formal restructuring plan has been approved and those affected have valid expectation that it will be implemented. The restructuring provisions only include costs that are directly related to the measures.

Classified as **cash-settled share-based payment** in accordance with IFRS 2 Share-based Payment, the yearly reissued long-term performance cash plans of the Management Board are exclusively dependent on the development of total shareholder return (TSR) from 2020 onwards. The development of the share price and the dividend payment is taken into account in the calculation of the TSR. The expense for the benefits received or liability to settle these benefits is recorded after the claims are earned. The liability is reassessed on each reporting date and on the settlement date. Changes in fair value are recorded in the respective year under review through profit and loss.

In the case of a buy-back of **treasury shares**, the consideration paid, which includes directly attributable costs less any tax effects, is presented as a reduction of equity. If the treasury shares are withdrawn, the nominal amount of EUR 1 per share will be deducted from the share capital. Any premium or discount from the nominal amount is shown as a change in retained earnings.

Liabilities are initially recognized at the amount to be paid and, with the exception of derivative financial instruments and contingent considerations, subsequently measured at amortized costs (using the effective interest method where appropriate).

The short-term portions of non-current assets and liabilities whose remaining terms are less than one year are generally disclosed under the current balance sheet items.

If IFRS 3 Business Combinations is not applicable, **contingent liabilities and assets** are generally not recognized in the balance sheet but stated and explained in the notes.

The consolidated financial statements are prepared on the basis of certain **assumptions** and **estimates** which have an effect on the amount and presentation of the reported assets, liabilities, income, expenses and contingent liabilities and assets. The premises underlying these assumptions and estimates are based on the management knowledge available at that given time. The assumptions and estimates primarily concern the items set forth below.

During the acquisition of companies all identifiable assets, liabilities and contingent liabilities are measured at fair value within the scope of the purchase price allocation. The fair value is determined by recognized valuation methods depending on the type of asset. These valuations are closely related to the management's assumptions concerning the future development of the assets and the applied discount rates. The recognized fair values represent key estimates as well as the goodwill derived from the purchase price allocation.

In addition to the determination of fair values of the assets, liabilities and contingent liabilities acquired, the valuation of contingent consideration for business combinations is based on management's estimates and assumptions regarding the future development of the acquired entity. Deviations of the future actual development of the entity compared to the expected development may affect the amount of contingent consideration and the profit after taxes.

Impairment tests of goodwill and other intangible assets with indefinite useful lives are based on forward-looking assumptions. These assumptions consider past developments and assumptions concerning the future development of markets. The main assumptions are the future sales growth and operational margin in the detailed planning period, estimated growth rates after the detailed planning period, weighted average cost of capital and tax rates. The premises above and the underlying calculation model can significantly influence the individual values and ultimately the amount of a possible impairment.

In the case of trade receivables, the determination of the allowance for expected credit losses relies to a large extent on estimates and assessments. At every reporting date an impairment analysis is conducted to measure the expected credit losses. The impairment rates are based on the aging structure of the receivables, past experience and the assessment of the current and forecast creditworthiness of customers.

The actual payments received may differ from the carrying amounts. Valuation allowances for inventories are mainly based on the experienced sell-down period of the single products.

The key assumptions and estimates for the measurement of provisions, especially those for pensions, litigations, onerous contracts and restructuring measures, concern the probability of the provisions being used, the amount of the obligation and, in the case of non-current provisions, the interest rates applied. In addition, pension obligations under defined benefit plans require actuarial assumptions regarding salary and pension trends, life expectancies and employee turnover. Obligations from expected customer credit notes need to be assessed based on the experience in regard to customer credit notes issued in the past. The actual development, and hence actual payments due in the future, may deviate from the expected development and the recognized provisions.

Deferred tax assets and liabilities are measured on the basis of management's assumptions and estimates. In addition to the interpretation of the tax regulations applicable to the taxable entity concerned, the key factor in the calculation of deferred tax assets in respect of temporary differences and tax loss carryforwards is an assessment of the likelihood that adequate taxable income will be generated in future or that appropriate tax planning opportunities for utilizing tax loss carryforwards will be implemented.

All assumptions and estimates are based on the circumstances prevailing on the reporting date and are examined on an ongoing basis. Although the assumptions and estimates are made with management's best knowledge, future events and changes in general circumstances often give rise to differences between the actual amounts and the estimates. This applies in particular to obligations where existence, amount and timing of occurrence are uncertain. In case of differences, the assumptions and, if necessary, the carrying amounts of the assets and liabilities affected are adjusted accordingly.

The Ukraine war and the associated material uncertainties, in particular about rising energy costs, were taken into account, where relevant, in estimates and judgements.

2. NOTES TO THE INCOME STATEMENT

(1) Sales in EUR thousand

	2022	2021
Sales with third parties	1,335,423	1,177,452
Sales with affiliated companies	1,352	520
	1,336,775	**1,177,972**

Sales are generated mainly by selling goods. Sales resulting from the provision of services are of minor significance.

Sales with affiliated companies related to majority shareholder Franz Haniel & Cie. GmbH, Duisburg / Germany, as well as to subsidiaries of the majority shareholder that are not included in the consolidated financial statements of TAKKT AG. A listing of sales with affiliated companies can be found under related-party transactions on page 155.

In the financial year, revenues of EUR 19.6 million (EUR 9.8 million) were generated which had been recognized at the beginning of the financial year under liabilities from contracts with customers.

Sales from a distribution perspective are as follows:

Sales according to regions in EUR thousand

	Industrial & Packaging	Office Furniture & Displays	Food Service	2022
Germany	271,422	3,833	3,908	279,163
Europe without Germany	453,323	403	11,653	465,379
USA	22	316,422	258,664	575,108
Other	231	4,007	12,887	17,125
	724,998	**324,665**	**287,112**	**1,336,775**

	Industrial & Packaging	Office Furniture & Displays	Food Service	2021
Germany	260,442	2,898	4,895	268,235
Europe without Germany	433,429	380	14,963	448,772
USA	24	253,542	195,028	448,594
Other	242	2,921	9,208	12,371
	694,137	**259,741**	**224,094**	**1,177,972**

(2) Other operating income in EUR thousand

	2022	2021
Rental income	250	457
Income from the disposal of non-current assets	229	277
Other income	4,194	5,634
	4,673	**6,368**

Other income includes, in particular, prior year income.

(3) Personnel expenses in EUR thousand

	2022	2021
Wages and salaries	179,283	165,436
Social security costs	30,780	27,948
Retirement costs	6,259	5,293
Release of personnel-related provisions	– 4,369	– 3,228
Other	1,522	1,157
	213,475	**196,606**

For the release of personnel-related provisions, see page 130. For the number of employees in the Group please refer to the segment reporting on page 146 et seqq.

(4) Other operating expenses in EUR thousand

	2022	2021
Impairment on financial assets	1,940	– 90
Release of provisions	– 2,288	– 473
Leasing	2,083	1,848
Foreign exchange differences	– 498	54
Operating taxes	3,518	3,079
Operating expenses	143,439	132,530
Administrative expenses	36,545	33,245
	184,739	**170,193**

Impairment on financial assets mainly relates to the change in valuation allowances on trade receivables and full write-offs of trade receivables where they cannot be recovered. Write-offs amounted to EUR 1,455 thousand (EUR 1,199 thousand). Subsequent payments received on written off receivables are included with EUR 212 thousand (EUR 209 thousand).

A major part of operating expenses is print and online advertising costs. Operating taxes include real estate tax, car tax and taxes on capital and assets for example.

(5) Depreciation, amortization and impairment of property, plant and equipment and other intangible assets in EUR thousand

	2022	2021
Property, plant and equipment	23,851	23,198
Other intangible assets	27,478	15,519
	51,329	**38,717**

Depreciation and amortization comprise scheduled amortization amounting to EUR 2,974 thousand (EUR 4,229 thousand) relating to intangible assets recorded in conjunction with purchase price allocations.

In the current financial year, impairments were made in accordance with IAS 36 Impairment of property, plant and equipment amounting to EUR 83 thousand (EUR 247 thousand). In 2022, EUR 83 thousand (EUR 247 thousand) result from impairment losses on right-of-use assets that according to IFRS 16 are subject to the regulations of IAS 36. The underlying assets of the impaired right-of-use assets mainly relate to rented office buildings that have already been terminated at the next possible date but which are no longer used during the remaining term of the lease.

Impairment losses of EUR 230 thousand (EUR 0 thousand) were recognised on intangible assets in accordance with IAS 36 in 2022. The impairment relates to a web shop that is no longer used.

The recoverability of the capitalized book value of intangible assets with an indefinite useful life, as these do not generate any independent cash flows, is reviewed together with the goodwill at the level of cash generating units.

As part of the new set-up of the Industrial & Packaging division, TAKKT has decided to simplify and harmonize the brand landscape, which is to be implemented in 2023. As a result of this decision, the Group has recognized impairment losses of EUR 11.2 million on intangible assets. These mainly relate to brand rights that were acquired and accounted for in the course of previous acquisitions and are based on the value in use using a discount rate of 8.3%. There was no need for impairment in the previous year. Further information can be found in the following section Impairment of goodwill. Please refer to the details on page 116 et seq. for information about the book values of intangible assets with an indefinite useful life.

(6) Impairment of goodwill

The following table shows the book values of the goodwills as well as the key assumptions used for the purpose of impairment testing:

Cash generating units	Book values of goodwill (in EUR thousand)		WACC (before taxes) (in percent)		Growth of Perpetuity rate (in percent)	
	2022	2021	**2022**	2021	**2022**	2021
Industrial & Packaging	325,072	-	10.1	-	1.0	-
NBF	43,716	41,168	9.5	7.8	2.0	2.0
D2G	88,004	80,616	9.4	7.7	2.0	2.0
Hubert	76,018	71,589	9.6	8.0	2.0	2.0
Central	68,012	64,049	9.4	7.8	2.0	2.0
XXLhoreca	2,000	-	9.4	-	2.0	-
Kaiser+Kraft	-	124,253	-	7.6	-	1.0
Ratioform	-	142,656	-	7.4	-	2.0
Newport	-	65,420	-	8.1	-	2.0

As part of the organizational realignment, a new cash-generating unit was formed at the beginning of the year from Kaiser+Kraft, Ratioform and a part of Newport. Part of the goodwill of Newport was therefore transferred to Industrial & Packaging on a fair value basis. The rest of Newport was allocated on the basis of fair values to D2G and the newly formed cash generating unit XXLhoreca.

The compound annual growth rate in external sales in the detailed planning period is between 5.2 (6.2) percent and 16.1 (10.8) percent for the cash generating units.

Please refer to the details on page 96 et seq. for information about the general procedure with regard to impairment testing. The evidence for recoverability at all cash generating units is based on the value in use. No need for impairment was derived from the impairment tests in both the 2021 and 2022 financial years.

The sensitivity analyses led to the following results:

In the case of the cash generating unit XXLhoreca, the value in use exceeds the book value by round a million euro. With a 0.7 percentage points increase in the weighted average cost of capital before taxes or with a decrease of 0.9 percentage points in growth of perpetuity rate or with a reduction in cash flows before interest and taxes by around eight percent, the book value equals the value in use.

Additional details on goodwill can be found in the corresponding notes on page 115. A description of the cash generating units can be found in the corresponding notes in the segment reporting on page 146 et seqq.

(7) Profit from associated companies

In the previous year, a profit of EUR 2,489 thousand arose from non-significant associated companies accounted for using the equity method, which mainly resulted from TAKKT's divestment of its shareholding in Simple System GmbH & Co. KG, Munich / Germany.

(8) Finance expenses in EUR thousand

	2022	2021
Interest portion of lease liabilities	– 2,074	– 2,212
Interest portion of pension provisions	– 818	– 416
Interest on financial liabilities	– 2,734	– 1,364
	– 5,626	**– 3,992**

Further information can be found in the table for the net result of the financial instruments categories on page 135 and on page 142 et seq.

(9) Other finance result in EUR thousand

	2022	2021
Valuation of financial instruments	862	85
Other financial expenses	– 118	0
Interest and similar income	30	306
	774	**391**

More details on the use of derivative financial instruments are disclosed in the Risk and opportunities report on page 67 et seqq. as well as in the notes on page 132 et seqq.

(10) Income tax expense

Income tax expense includes current tax paid respectively due in the individual countries as well as deferred taxes recognized in the income statement. The income tax rates applied for the individual countries range between 9.0 (9.0) percent and 30.7 (30.7) percent.

Breakdown of income tax expense in EUR thousand

	2022	2021
Current tax	15,977	13,048
Deferred tax	679	2,736
	16,656	**15,784**

Current tax income includes income of EUR 796 thousand (prior year expense of EUR 156 thousand) relating to prior periods. Deferred tax income of EUR 141 thousand (EUR 24 thousand) results from the changes of allowances on deferred tax assets. Deferred tax expense of EUR 7 thousand (EUR 323 thousand) results from tax rate changes.

The difference between the actual income tax expense and the income tax expense calculated at a rate of 30.7 (30.7) percent for TAKKT AG is made up as follows:

Tax rate reconciliation in EUR thousand

	2022	2021
Profit before tax	**75,941**	**72,811**
Expected average tax expense	23,314	22,353
Changes in tax rates	7	323
Differences between local and Group tax rates	– 8,284	– 6,827
Non-deductible expenses	2,323	1,336
Non-taxable income	– 120	– 143
Allowance for deferred tax assets	– 141	– 24
Taxes relating to prior years	– 769	156
Other differences	326	– 1,390
Income tax expense per the consolidated income statement	**16,656**	**15,784**
Tax ratio (in percent)	21.9	21.7

The calculated tax rate of 30.7 percent is based on the tax rates applicable in Germany in 2022. A corporation tax of 15.0 percent, the solidarity surcharge of 5.5 percent and the average municipal trade tax rate for the German Group companies were taken into account.

The tax rate in the reporting year amounted to 21.9 (21.7) percent and thus at a level comparable to the previous year.

(11) Earnings per share

	2022	2021
Number of shares issued (in thousand)	65,610	65,610
Weighted average number of shares issued after share buy-back (in thousand)	65,547	65,610
Profit (in EUR thousand)	59,285	57,027
Basic earnings per share (in EUR)	0.90	0.87
Diluted earnings per share (in EUR)	0.90	0.87
TAKKT cash flow (in EUR thousand)	115,142	94,264
TAKKT cash flow per share (in EUR)	1.76	1.44

Basic and diluted earnings per share are calculated by dividing the profit by the weighted average number of shares issued. As potential shares (mainly stock options and convertible bonds), which could dilute the earnings per share, were not issued, basic and diluted earnings per share are identical.

3. NOTES TO THE BALANCE SHEET

(12) Property, plant and equipment in EUR thousand

	Land, buildings and similar assets	Plant, machinery and equipment	Payments on account	Total
Acquisition costs				
Balance at 01/01/2022	203,279	103,609	580	307,468
Currency translation	1,614	1,549	17	3,180
Additions	2,297	8,059	634	10,990
Transfers	221	467	– 678	10
Disposals	– 2,095	– 10,941	– 22	– 13,058
Balance at 12/31/2022	**205,316**	**102,743**	**531**	**308,590**
Cumulative depreciation and impairment				
Balance at 01/01/2022	98,154	82,901	0	181,055
Currency translation	580	1,304	0	1,884
Additions	15,949	7,902	0	23,851
Disposals	– 1,799	– 10,292	0	– 12,091
Balance at 12/31/2022	**112,884**	**81,815**	**0**	**194,699**
Net book values				
Balance at 12/31/2022	**92,432**	**20,928**	**531**	**113,891**

Details on impairments in accordance with IAS 36 Impairment of Assets can be found on page 96 et seq.

Property, plant and equipment of EUR 113,891 thousand (EUR 126,413 thousand) at reporting date includes EUR 59,312 thousand (EUR 60,720 thousand) property, plant and equipment legally owned by TAKKT and EUR 54,579 thousand (EUR 65,693 thousand) right-of-use assets for leased assets. Information on leases as of reporting date can be found on page 150 et seq.

As in the previous year, tangible assets legally and economically owned by the Group, with the exception of the capitalized right-of-use assets, were not subject to any restraints on disposal rights.

Purchase commitments for Property, plant and equipment amount to EUR 927 thousand (EUR 657 thousand).

	Land, buildings and similar assets	Plant, machinery and equipment	Payments on account	Total
Acquisition costs				
Balance at 01/01/2021	194,363	97,443	312	292,118
Currency translation	3,728	2,451	12	6,191
Additions	9,330	6,024	887	16,241
Transfers	248	348	– 596	0
Disposals	– 4,390	– 2,657	– 35	– 7,082
Balance at 12/31/2021	**203,279**	**103,609**	**580**	**307,468**
Cumulative depreciation and impairment				
Balance at 01/01/2021	85,181	75,325	0	160,506
Currency translation	1,443	1,994	0	3,437
Additions	15,204	7,994	0	23,198
Disposals	– 3,674	– 2,412	0	– 6,086
Balance at 12/31/2021	**98,154**	**82,901**	**0**	**181,055**
Net book values				
Balance at 12/31/2021	**105,125**	**20,708**	**580**	**126,413**

(13) Goodwill in EUR thousand

	2022	2021
Acquisition costs		
Balance at 01/01/	602,611	580,723
Currency translation	13,071	21,888
Additions	0	0
Disposals	0	0
Balance at 12/31/	**615,682**	**602,611**
Cumulative impairment		
Balance at 01/01 / 12/31	**12,860**	**12,860**
Net book values		
Balance at 12/31/	**602,822**	**589,751**

The accumulated scheduled amortization of goodwill until 2004 was offset against acquisition costs due to the impairment-only approach that is applied since 2005 at TAKKT.

Book value of goodwill in EUR thousand

	2022	2021
Cash generating units		
Industrial & Packaging	325,072	-
NBF	43,716	41,168
D2G	88,004	80,616
Hubert	76,018	71,589
Central	68,012	64,049
XXLhoreca	2,000	-
Kaiser+Kraft	-	124,253
Ratioform	-	142,656
Newport	-	65,420
	602,822	**589,751**

(14) Other intangible assets in EUR thousand

	Brands with undefined useful life	Customer lists	Other (purchase price allocation)	Software, licenses and similar rights	Payments on account	Total
Acquisition costs						
Balance at 01/01/2022	27,929	47,646	36,055	79,994	2,175	193,799
Currency translation	1,097	– 263	– 410	977	127	1,528
Additions	0	0	0	4,642	937	5,579
Transfers	– 10,200	0	10,200	2,597	– 2,608	– 11
Disposals	0	0	0	– 3,274	0	– 3,274
Balance at 12/31/2022	**18,826**	**47,383**	**45,845**	**84,936**	**631**	**197,621**
Cumulative amortization and impairment						
Balance at 01/01/2022	0	46,589	28,954	52,365	0	127,908
Currency translation	0	– 235	– 348	657	0	74
Additions	0	866	2,108	13,079	0	16,053
Impairment	9,200	0	1,995	230	0	11,425
Transfers	– 9,200	0	9,200	0	0	0
Disposals	0	0	0	– 3,239	0	– 3,239
Balance at 12/31/2022	**0**	**47,220**	**41,909**	**63,092**	**0**	**152,221**
Net book values						
Balance at 12/31/2022	**18,826**	**163**	**3,936**	**21,844**	**631**	**45,400**

As in the previous year, intangible assets were not subject to any restraints on disposal.

The acquired brands are reported at their book value as intangible assets with an indefinite useful life. The customer lists have a remaining useful life of one year and are reported at net book value.

	Brands with undefined useful life	Customer lists	Other (purchase price allocation)	Software, licenses and similar rights	Payments on account	Total
Acquisition costs						
Balance at 01/01/2021	26,564	47,571	34,095	66,449	3,974	178,653
Currency translation	1,365	75	1,960	1,267	36	4,703
Additions	0	0	0	7,153	3,490	10,643
Transfers	0	0	0	5,325	– 5,325	0
Disposals	0	0	0	– 200	0	– 200
Balance at 12/31/2021	**27,929**	**47,646**	**36,055**	**79,994**	**2,175**	**193,799**
Cumulative amortization and impairment						
Balance at 01/01/2021	0	45,138	24,417	40,337	0	109,892
Currency translation	0	93	1,666	938	0	2,697
Additions	0	1,358	2,871	11,290	0	15,519
Disposals	0	0	0	– 200	0	– 200
Balance at 12/31/2021	**0**	**46,589**	**28,954**	**52,365**	**0**	**127,908**
Net book values						
Balance at 12/31/2021	**27,929**	**1,057**	**7,101**	**27,629**	**2,175**	**65,891**

The distribution on business units is as follows:

	Book values of brands with undefined useful life (in EUR thousand)		**Book values of customer lists** (in EUR thousand)	
	2022	2021	**2022**	2021
Industrial & Packaging	0	-	163	-
NBF	7,013	6,604	0	0
Central	11,813	11,125	0	0
Kaiser+Kraft	-	0	-	600
Ratioform	-	10,200	-	425
Newport	-	0	-	32
	18,826	**27,929**	**163**	**1,057**

Purchase commitments for intangible assets amount to EUR 226 thousand (EUR 145 thousand)
.

(15) Other assets in EUR thousand

	2022	2021
Investments in corporate entities	11,229	23,045
Investment in venture capital funds	2,437	1,517
Other	273	288
	13,939	**24,850**

(16) Deferred tax

Deferred tax on loss carry forwards in EUR thousand

	2022	2021
Deferred tax on loss carry forwards (gross)	5,954	5,495
Allowance	– 1,379	– 1,906
Deferred tax on loss carry forwards (net)	**4,575**	**3,589**

Expiration of impaired loss carry forwards in EUR thousand

	up to 1 year	1 to 5 years	over 5 years	unlimited	Total
2022	897	3,186	406	1,877	6,366
2021	715	3,778	459	4,044	8,996

Deferred tax assets and liabilities result from recognition and valuation differences for the following balance sheet positions:

Deferred tax assets and liabilities in EUR thousand

	Assets		Liabilities	
	2022	2021	**2022**	2021
Property, plant and equipment and other intangible assets	3,069	3,064	23,241	29,451
Goodwill	0	0	87,170	80,984
Other non-current assets	0	0	694	635
Inventories	4,208	4,327	172	146
Trade receivables and other assets	656	748	1,094	726
Non-current provisions	4,271	12,541	0	0
Current provisions	659	782	184	235
Financial liabilities	13,748	18,090	0	0
Other liabilities	6,448	5,988	22	22
Fair value of derivative financial instruments	283	408	309	215
Loss carry forwards	4,575	3,589	0	0
Subtotal	**37,917**	**49,537**	**112,886**	**112,414**
Netting	– 32,449	– 44,268	– 32,449	– 44,268
Consolidated balance sheet	**5,468**	**5,269**	**80,437**	**68,146**

Deferred taxes of EUR 101 thousand (EUR 326 thousand) were recognized on the fair value changes of investments recognized directly in equity. Deferred tax liabilities of EUR 26 thousand (deferred tax assets EUR 193 thousand) on the market value of derivative financial instruments classified as cash flow hedges as well as deferred taxes of EUR 2,610 thousand (EUR 10,775 thousand) on actuarial gains and losses for the evaluation of pension provisions were recorded with no effect on profit and loss.

Of the deferred tax assets in the amount of EUR 5,468 thousand (EUR 5,269 thousand), EUR 241 thousand (EUR 488 thousand) relate to companies which generated losses in the year under review or the previous year. The recognition of deferred tax assets is based on the positive results of the rolling five-year budget of the respective company taking into account the future expectations as well as the specific business development respectively on the loss history in the past.

In accordance with IAS 12.39, no deferred tax liabilities are reported for the retained earnings of subsidiaries because TAKKT is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future.

In the event of future dividend payouts, there would be a tax liability of EUR 5,034 thousand (EUR 5,457 thousand). Any foreign withholding tax and income tax effects at foreign intermediate holding companies were not taken into consideration for reasons of materiality.

(17) Inventories in EUR thousand

	2022	2021
Raw materials and supplies	6,623	5,708
Work in progress	1,528	1,509
Finished goods and purchased merchandise	152,408	133,358
Assets for rights from customer returns	1,289	888
Payments on account	1,233	4,742
	163,081	**146,205**

An obsolescence reserve of EUR 13,256 thousand (EUR 15,827 thousand) has been made on finished goods and purchased merchandise, taking the expected sell-down period of the inventories into consideration. Intercompany profits of EUR 150 thousand (EUR 129 thousand) were eliminated.

(18) Trade receivables

Development of allowances on trade receivables in EUR thousand

	2022	2021
Balance at 01/01/	3,548	4,559
Additions	1,189	268
Release	– 485	– 1,380
Currency translation and other changes	38	101
Balance at 12/31/	**4,290**	**3,548**

Additional information concerning the reconciliation from gross to net figures can also be found in section 4. Risk management and financial instruments (page 132 et seqq.).

TAKKT has not capitalized any overdue receivables that are not impaired.

(19) Other receivables and assets in EUR thousand

	2022	2021
Market value of derivative financial instruments	722	486
Other tax receivables	1,213	939
Bonus claims against suppliers	15,746	15,333
Deferred expenses	8,024	6,185
Other	4,726	3,560
	30,431	**26,503**

(20) Cash and cash equivalents in EUR thousand

	2022	2021
Checks, cash balances	65	238
Bank balances	7,501	2,549
	7,566	**2,787**

Bank balances comprises funds with a maturity of up to three months.

(21) Total equity
The consolidated statement of changes in total equity can be found on page 87. The fully paid-in share capital of TAKKT AG amounts to EUR 65,610,331 (EUR 65,610,331) and is divided into 65,610,331 (65,610,331) no-par-value bearer shares with a nominal value of EUR 1.00. The authorization granted by the Annual General Meeting on May 18, 2022 to acquire treasury shares until May 17, 2027 was used in the financial year.

On October 4, 2022, the Management Board passed a resolution on a share buy-back program of up to 1,968,309 shares for a total purchase price of up to EUR 25 million (excluding incidental costs) and a term from October 6, 2022 to June 30, 2023. From 6 October to 31 December 2022, 509,781 shares were purchased on the stock exchange at an average price of EUR 12.78. The costs of the share buyback amounting to EUR 7 thousand after tax were offset against equity. The company may use the repurchased shares for all purposes in accordance with the authorization granted.

In accordance with the resolution of the Shareholders' Meeting amending the statutes on May 18, 2022, the Management Board is authorized until May 17, 2027, to increase the issued capital by an amount of up to EUR 32,805,165 once or several times by issuing new no-par-value bearer shares, taking the subscription rights of the shareholders into account. With the approval of the Supervisory Board, the Management Board is, however, entitled to exclude residual amounts from the shareholders' statutory subscription right. No use was made of this authorization in 2022. Please refer to page 44 in the Management Report.

Retained earnings include earnings contributed by the Group as well as the consolidation adjustments and related deferred taxes affecting profit.

Other components of equity in EUR thousand

	Pension provisions	Equity instruments	Cash flow hedges	Tax	Foreign currency reserves	Total
Balance at 01/01/2021	**– 46,253**	**– 2,900**	**3,337**	**12,394**	**– 9,648**	**– 43,070**
Other comprehensive income	8,839	27,153	134	– 3,122	26,591	59,595
thereof currency translation effects	– 181	0	– 36	36	26,591	26,410
Transfer to retained earnings	– 110	– 9,673	0	149	0	– 9,634
Balance at 12/31/2021 / 01/01/2022	**– 37,524**	**14,580**	**3,471**	**9,421**	**16,943**	**6,891**
Other comprehensive income	28,464	– 11,785	775	– 8,160	15,936	25,230
thereof currency translation effects	– 203	0	– 1	26	15,936	15,758
Transfer to retained earnings	0	785	0	0	0	785
Balance at 31/12/2022	**– 9,060**	**3,580**	**4,246**	**1,261**	**32,879**	**32,906**

The shareholders have a claim to the unappropriated profits of TAKKT AG, provided that the latter is not excluded from distribution to the shareholders by law or the statutes of the company, by way of a shareholders' resolution or as additional charge to the retained earnings.

On the balance sheet date, TAKKT AG held 509,781 treasury shares, which corresponds to an arithmetical share of EUR 509,781 in the share capital and 0.8 percent of the share capital.

The Management Board proposes to the Supervisory Board to distribute a dividend of EUR 1.00 (EUR 1.10) per share for the financial year 2022. This will consist of an ordinary dividend of EUR 0.60 (EUR 0.60) and a special dividend of EUR 0.40 (EUR 0.50).

(22) Non-current and current financial liabilities in EUR thousand

	Remaining term			
	up to 1 year	**1 to 5 years**	**over 5 years**	**12/31/2022**
Liabilities to banks	27,237	27,846	0	55,083
Lease liabilities	18,767	33,443	11,227	63,437
Finance liabilities to affiliated companies	3,762	0	0	3,762
Other	299	1,668	0	1,967
	50,065	**62,957**	**11,227**	**124,249**
thereof long-term (maturity > 1 year)				74,184

	Remaining term			
	up to 1 year	**1 to 5 years**	**over 5 years**	**12/31/2021**
Liabilities to banks	13,704	9,000	0	22,704
Lease liabilities	14,756	43,774	16,885	75,415
Finance liabilities to affiliated companies	7,038	0	0	7,038
Other	563	2,066	0	2,629
	36,061	**54,840**	**16,885**	**107,786**
thereof long-term (maturity > 1 year)				71,725

The remaining terms of the liabilities to banks are equivalent to the terms of the respective utilized financing commitments. Additionally, TAKKT has unused credit lines amounting to EUR 204.1 million (EUR 235.3 million). Average net financial liabilities for the financial year amounted to EUR 135,286 thousand (EUR 83,806 thousand). Debt was weighted by months.

The liabilities to banks are unsecured. Lease liabilities primarily relate to office and warehouse buildings as well as vehicles. At the reporting date, the item Other includes TAKKT Performance Bonds issued to TAKKT Group executives.

A schedule of liabilities to affiliated companies can be found in related-party transactions on page 155.

(23) Pension provisions and similar obligations

For many employees of the TAKKT Group, different pension commitments are in place depending on the legal, economic and tax situation of the particular country, which usually take the length of service as well as salary or final salary of the employee into consideration. These include defined benefit as well as defined contribution pension plans that cover retirement, disability and surviving dependents. The pension provisions include obligations from current pensions as well as the present value of obligations for employee benefits payable in the future.

The key defined benefit pension plans that apply to the TAKKT Group relate to German companies and are in place for the Management Board, executives and other employees. The resulting obligation is financed mostly through provisions.

Management Board members receive an entitlement for pension and survivors‘ benefits, with an annual contribution amounting to ten percent of the sum of the basic salary and the target bonus (100 percent of the target) under the Short Term Incentive Plan. Contributions are only granted as long as the individual is appointed to the Management Board. Interest of five percent p.a. is granted for the contributions set aside in the reporting year until the occurrence of the insured event, and six percent p.a. for older contributions. An entitlement to retirement benefits commences on the date of retirement, but not before reaching the age of 60. In the case of disability and death, the amount from the pension plan paid out or annuitized is equivalent to what would have been paid if contributions had been made up to the age of 63. Part of this commitment is hedged against insolvency using standard market products on the basis of a contractual trust agreement. The assets held by the trustee are plan assets.

For certain executives, pension commitments are in place that cover benefits upon reaching the age of 65, disability and widow’s / widower’s or orphan´s pension. The annual contribution to the pension plan is eight percent of the annual fixed income of the respective executive. The German Commercial Code (HGB) reference interest rate of the German Federal Bank is used for the annual interest yield of the respective capital account. Payments are made generally in installments or on request as an annuity. Pension payments are still being made to former executives based on a plan that has been discontinued.

For many of the other employees of the German Group companies, there is a pension plan in place that regulates retirement pension upon reaching the age of 65, disability as well as widow’s / widower’s and orphan’s pension. Depending on the completed years of service and the average remuneration of the last three work years subject to pension contributions and in accordance with the current valid works agreement, monthly fixed amounts in euros for each year of service will become due at the time of pension payout. In addition, specific employees have the option of converting salary into pension contributions. These amounts, which are referred to as deferred compensation, are converted into benefit components and paid out as pension benefits.

In Switzerland, pension commitments exist according to the BVG (Bundesgesetz über die berufliche Vorsorge; Swiss Federal Act on Occupational Retirement, Survivors´ and Disability Pension Plans) for employees and executives, that cover retirement, disability and surviving dependents. The pension plans are financed by contributions from employees and the employer to a pension fund (collective foundation), that represent plan assets. Contributions as a percentage of the pensionable salary vary depending on salary and age. Payments are made annuitized or as a lump sum. To cover the pension claims, the plans are subject to minimum funding requirements from which future additional contribution obligations may arise.

In one Dutch company, there is a pension plan in place for 4 (5) employees that covers retirement pension after the age of 65 as well as disability and widow’s / widower’s and orphan´s pension. The amount of the pension is based on the employee’s remuneration less the state pension plan. These pension commitments have been financed through contributions paid to an insurance company. Plan assets created in this process solely involve qualifying insurance policies. With effect on January 01, 2011, the underlying plan was discontinued. Claims arising afterwards are covered by a defined contribution plan.

The value of the pension provisions reported in the balance sheet is derived as follows:

Development of pension provisions in EUR thousand

	2022	2021
Present value of funded obligations	17,602	23,178
Present value of unfunded obligations	47,422	68,859
Total present value of obligations	**65,024**	**92,037**
Fair value of plan assets	– 14,000	– 15,050
Pension provision at 31.12.	**51,024**	**76,987**

For the pension plans described above, the following parameters are applied for the calculation of the present value of obligations:

Parameters in percent

	2022		2021	
	EUR	**CHF**	**EUR**	**CHF**
Actuarial interest rate	3.50	2.20	1.10	0.20
Salary trend	2.75	1.50	2.50	1.50
Pension trend	2.00	0.00	1.75	0.00

The actuarial interest rate is based on high-quality fixed-rate corporate bonds with a rating of at least AA from a recognized rating agency.

The weighted duration of the pension provisions as of December 31, 2022, is 16.2 (20.4) years.

All other commitments are not material and are determined using specific local accounting principles and parameters.

Development of pension provisions in EUR thousand

	Present value of obligation	Fair value of plan assets	Pension provisions
Balance at 01/01/2022	**92,037**	**15,050**	**76,987**
Current service cost	3,695	0	3,695
Past service costs and gains and losses on settlements and curtailments	782	917	– 135
Personnel expenses	**4,477**	**917**	**3,560**
Net interest expense	**897**	**79**	**818**
Actuarial gains (-) / losses (+) arising from changes in demographic assumptions	– 231	0	– 231
Actuarial gains (-) / losses (+) arising from changes in financial assumptions	– 29,674	0	– 29,674
Experience gains / losses	– 77	– 1,315	1,238
Changes to other components of equity	**– 29,982**	**– 1,315**	**– 28,667**
Effect of changes in foreign exchange rates	583	345	238
Transfer of obligation	0	0	0
Contributions of plan participants	340	340	0
Contributions of employer	0	508	– 508
Benefit payments	– 3,328	– 1,924	– 1,404
Other Effects	**– 2,405**	**– 731**	**– 1,674**
Balance at 12/31/2022	**65,024**	**14,000**	**51,024**

	Present value of obligation	Fair value of plan assets	Pension provisions
Balance at 01/01/2021	**99,258**	**13,523**	**85,735**
Current service cost	3,806	0	3,806
Past service costs and gains and losses on settlements and curtailments	– 3,357	– 2,729	– 628
Personnel expenses	**449**	**– 2,729**	**3,178**
Net interest expense	**446**	**30**	**416**
Actuarial gains (-) / losses (+) arising from changes in demographic assumptions	– 805	0	– 805
Actuarial gains (-) / losses (+) arising from changes in financial assumptions	– 8,794	0	– 8,794
Experience gains / losses	756	177	579
Changes to other components of equity	**– 8,843**	**177**	**– 9,020**
Effect of changes in foreign exchange rates	544	316	228
Transfer of obligation	0	0	0
Contributions of plan participants	358	358	0
Contributions of employer	0	2,112	– 2,112
Benefit payments	– 175	1,263	– 1,438
Other Effects	**727**	**4,049**	**– 3,322**
Balance at 12/31/2021	**92,037**	**15,050**	**76,987**

In addition to qualified insurance contracts (EUR 9,554 thousand, prior year EUR 10,029 thousand, without underlying active market), the plan assets contain securities funds (EUR 4,445 thousand, prior year EUR 5,020 thousand, with underlying active market) as well as cash (EUR 1 thousand, prior year EUR 1 thousand, with underlying active market). The plan assets do not include any of the Group's financial instruments or assets used by the Group. Employer contributions to plan assets are expected to come to EUR 1,540 thousand in 2023.

The following table shows the effect of the change of a significant actuarial assumption on the present value of the defined benefit obligations. All other assumptions regarding the original calculation remain unchanged, i.e., possible interactions between the individual assumptions are not taken into account.

Sensitivity analysis of present value of obligation in EUR thousand

	Present value of obligation	
	2022	2021
Actuarial interest rate		
Increase of 0.5 percentage points	60,489	83,626
Decrease of 0.5 percentage points	70,443	101,852
Salary trend		
Increase of 0.5 percentage points	65,305	92,363
Decrease of 0.5 percentage points	64,999	91,721
Pension trend		
Increase of 0.5 percentage points	67,362	96,018
Decrease of 0.5 percentage points	63,135	88,442
Mortality / Life expectancy		
Increase of 1 year	66,584	94,691
Decrease of 1 year	63,719	89,418

The following table shows the expected future pension benefit payments:

Expected maturity of pension benefits 2022 in EUR thousand

	2023	**2024 – 2027**	**2028 – 2032**
Expected Payments	1,497	7,378	14,848

Expected maturity of pension benefits 2021 in EUR thousand

	2022	**2023 – 2026**	**2027 – 2031**
Expected Payments	1,392	6,743	13,647

The risks associated with the defined benefit obligations relate to actuarial risks such as longevity as well as financial risks such as market price risks which influence the actuarial interest rate or inflation risks which could have an effect on the development of salary and pension trend. There is no intention to hedge these risks.

Defined Contribution Plans

Statutory pension insurance is an important component of retirement pension planning for most employees, especially in Germany. The employer contributions made to such insurance and recorded under Personnel expenses amounted to EUR 9,694 thousand (EUR 8,965 thousand) during the reporting period. The future level of such expenses largely depends on how the underlying pension insurance systems develop.

Some foreign companies, especially in the United States, have voluntary defined contribution plans for the payment of benefits after termination of employment. Affected US companies pay a pension contribution for their staff to an external fund after a certain time of service. Employer contributions depend on voluntary employee contributions and are limited to up to 5.0 (5.0) percent of the employee’s salary. Moreover, there are plans for certain US companies, that can lead to further employer contributions to an external fund depending on the sales development of the respective company. The companies cannot derive any claims from their contribution payments; accordingly there are no plan assets to be capitalized by these companies. Expenses for defined contribution plans amounted to EUR 2,699 thousand (EUR 2,115 thousand) in the year under review.

(24) Non-current other and Current provisions

Development of Non-current other and Current provisions in EUR thousand

	01/01/2022	Currency translation	Usage	Transfers	Release	Additions	12/31/2022
Personnel obligations	7,875	4	– 605	– 812	– 1,976	1,797	6,283
Other	1,571	51	– 32	0	– 36	125	1,679
Long-term other provisions	**9,446**	**55**	**– 637**	**– 812**	**– 2,012**	**1,922**	**7,962**
Staff bonuses	15,223	72	– 14,894	812	– 1,152	13,748	13,809
Personnel obligations	5,311	14	– 3,204	0	– 1,241	3,499	4,379
Other	4,887	275	– 962	0	– 2,252	324	2,272
Short-term provisions	**25,421**	**361**	**– 19,060**	**812**	**– 4,645**	**17,571**	**20,460**

	01/01/2021	Currency translation	Usage	Transfers	Release	Additions	12/31/2021
Personnel obligations	2,887	6	– 426	77	– 34	5,365	7,875
Other	1,504	79	– 38	0	– 100	126	1,571
Long-term other provisions	**4,391**	**85**	**– 464**	**77**	**– 134**	**5,491**	**9,446**
Staff bonuses	8,518	381	– 7,802	300	– 941	14,767	15,223
Personnel obligations	11,421	56	– 7,397	– 377	– 2,253	3,861	5,311
Other	3,285	232	– 916	0	– 373	2,659	4,887
Short-term provisions	**23,224**	**669**	**– 16,115**	**– 77**	**– 3,567**	**21,287**	**25,421**

Non-current personnel obligations mainly comprise obligations for long-term remuneration components of the Management Board and top executives as well as obligations for early retirement part-time working arrangements.

Current personnel obligations mainly include obligations from severance agreements.

(25) Trade payables

With regard to trade payables, most of the goods delivered are subject to customary ownership retention rights.

(26) Current Other liabilities in EUR thousand

	2022	2021
Liabilities from contracts with customers	13,080	19,226
Fair value of derivative financial instruments	525	1,031
Uninvoiced goods and services	20,540	23,782
Other tax payables	11,482	14,101
Personnel liabilities	6,839	6,532
Social security contributions	1,274	1,731
Bonus liabilities to customers	1,968	1,980
Expected customer credit notes	3,752	3,341
Audit fees	1,005	869
Other	9,448	9,793
	69,913	**82,386**

Liabilities from contracts with customers contain customer payments on account and obligations from customer loyalty programs. The liabilities from other taxes mainly consist of VAT liabilities. Obligations from expected customer credit notes mainly result from refund liabilities.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

In the risk and opportunities report contained in the combined management report on page 67 et seqq., TAKKT details the possible financial risks that pose a threat to the success of the TAKKT Group as well as its strategy to manage these risks. In addition to the liquidity and credit risks, in the area of financial risks TAKKT is also exposed to both opportunities and risks from fluctuations in exchange rates and interest rates on international capital markets due to its international presence. The Group's risk management system covers the uncertainties of future development of financial markets accordingly. Derivatives are used to reduce these risks. With this strategy, the risk management system supports the Group's financial performance.

Financial instruments held by TAKKT are assigned to the IFRS 9 categories as follows:

Reconciliation of financial instruments to IFRS 9-categories as of December 31, 2022 in EUR thousand

	Financial instrument category				No IFRS 9 category	Reconciliation to balance sheet	Balance sheet item total
	Debt instruments and derivatives measured at fair value through profit and loss	Equity instruments measured at fair value through other comprehensive income	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost			
Non-current assets							
Debt instruments	2,437	0	0	0	-	-	
Equity instruments	0	11,229	0	0	-	-	
Other	0	0	273	0	-	-	
Other assets	2,437	11,229	273	0	0	0	13,939
Current assets							
Trade receivables	0	0	135,895	0	0	0	135,895
Other receivables and assets	77	0	20,472	0	645	9,237	30,431
Cash and cash equivalents	0	0	7,566	0	0	0	7,566
Assets	**2,514**	**11,229**	**164,206**	**0**			
Non-current liabilities							
Financial liabilities	0	0	0	29,514	44,670	0	74,184
Current liabilities							
Financial liabilities	0	0	0	31,298	18,767	0	50,065
Trade payables	0	0	0	63,036	0	0	63,036
Other liabilities	16	0	0	33,956	509	35,432	69,913
Liabilities	**16**	**0**	**0**	**157,804**			

Reconciliation of financial instruments to IFRS 9-categories as of December 31, 2021 in EUR thousand

	Financial instrument category				No IFRS 9 category	Reconciliation to balance sheet	Balance sheet item total
	Debt instruments and derivatives measured at fair value through profit and loss	Equity instruments measured at fair value through other comprehensive income	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost			
Non-current assets							
Debt instruments	1,517	0	0	0	-	-	
Equity instruments	0	23,045	0	0	-	-	
Other	0	0	288	0	-	-	
Other assets	1,517	23,045	288	0	0	0	24,850
Current assets							
Trade receivables	0	0	119,412	0	0	0	119,412
Other receivables and assets	161	0	18,892	0	325	7,125	26,503
Cash and cash equivalents	0	0	2,787	0	0	0	2,787
Assets	**1,678**	**23,045**	**141,379**	**0**			
Non-current liabilities							
Financial liabilities	0	0	0	11,066	60,659	0	71,725
Current liabilities							
Financial liabilities	0	0	0	21,305	14,756	0	36,061
Trade payables	0	0	0	47,070	0	0	47,070
Other liabilities	66	0	0	39,741	964	41,615	82,386
Liabilities	**66**	**0**	**0**	**119,182**			

The category Debt instruments and derivatives measured at fair value through profit and loss within non-current assets relates to an investment classified as debt instrument and within current assets and liabilities relates to derivatives which are to be classified as held for trading in accordance with IFRS 9. These derivatives are used exclusively for hedging purposes.

The equity instruments included in the category Equity instruments measured at fair value through other comprehensive income relate to investments in unlisted companies. They were designated as at fair value through Other comprehensive income as they are held strategically and not for trading.

The column ‘No IFRS 9 category’ includes mainly lease liabilities with a book value of EUR 63,437 thousand (EUR 75,415 thousand) as well as derivatives (cash flow hedges).

The calculation method used for all financial instruments measured at fair value relates to level 3 for the reporting year and the previous year, except for the valuation of derivatives, which is attributable to level 2. A definition of the levels can be found on page 100.

The following overview shows a detailed reconciliation of the financial instruments that are measured at fair value within level 3 on a recurring basis without contingent considerations from acquisitions in EUR thousand:

	2022	2021
Balance at 01/01/	**24,562**	**7,144**
Addition	0	15
Fair value change recognized in profit or loss	920	650
Fair value change recognized in other comprehensive income	– 11,784	27,153
Disposals	– 32	– 10,400
Balance at 12/31/	**13,666**	**24,562**
Unrealized gains or losses recognized in profit or loss relating to those financial instruments held at the reporting date	920	650

In the previous year, the positive fair value change in the amount of EUR 9.2 million recognized in Other comprehensive income results from the revaluation of the start-up investment parcelLab GmbH as a consequence of a financing round. TAKKT no longer participated in this as an investor, but disposed of the shares, resulting in the disposals of EUR 10.4 million presented for the previous year. The other change in fair value recognized in Other comprehensive income in the previous year mainly results from a financing round for another investment in a fast-growing company where a new investor has joined. The negative fair value change in the reporting year essentially relates to the same investment and was derived from a change in shareholders.

In the year under review, no reclassifications were made between the individual levels.

The book values of all financial instruments not carried at fair value in the balance sheet represent appropriate approximate values for fair values as of the closing date of the reporting period. Significant deviations between book values and fair values could arise with regard to other financial liabilities.

The disclosures for these financial liabilities as of the closing date are as follows:

Financial liabilities by book value and fair value in EUR thousand

	Book Value 12/31/2022	Fair Value 12/31/2022	Book Value 12/31/2021	Fair Value 12/31/2021
Other liabilities	1,967	2,338	2,629	2,913

The fair value is determined using the same method assigned to level 2 as for assets and liabilities that are measured at fair value on a recurring basis applying the discounted cash flow-method.

The net result of the financial instrument categories recognized in the income statement is broken down as follows:

Net result of the financial instruments categories in EUR thousand

	From interest	At fair value	Currency translation	Valuation allowance	2022
Debt instruments and derivatives measured at fair value through profit and loss	0	887	0	0	887
Financial assets measured at amortized cost	30	0	1,139	– 1,940	– 771
Financial liabilities measured at amortized cost	– 2,667	0	– 24	0	– 2,691
	– 2,637	**887**	**1,115**	**– 1,940**	**– 2,575**

	From interest	At fair value	Currency translation	Valuation allowance	2021
Debt instruments and derivatives measured at fair value through profit and loss	0	676	0	0	676
Financial assets measured at amortized cost	138	0	755	90	983
Financial liabilities measured at amortized cost	– 1,319	0	– 591	0	– 1,910
	– 1,181	**676**	**164**	**90**	**– 251**

Credit risk

TAKKT is exposed to credit risk both from operating business as well as from financial instruments. Credit risk in the operating business results from possible write-offs due to customer default. The possible loss cannot exceed the book value of the receivable from an individual customer. Given the high number of existing customer relationships, the risk can generally be seen as being comparatively low. As a result of the strong diversification of the customer structure described in the risk report on page 73 there is no exceptional concentration of risk in the operating business. However, a possible prolonged weakening of economic dynamics and high inflationary pressure may lead to higher default risks for TAKKT's receivables. Due to an intensified receivables management with consistent creditworthiness assessments prior to transactions as well as a stringent dunning process, in the financial year write-offs on trade receivables are very low at 0.1 (0.1) percent of sales. Risks of write-offs are accounted for by customary ownership retention rights for goods delivered and by creating allowances. A forecast on the development of customers' creditworthiness is associated with high uncertainties. For the year 2023, a deterioration in the payment behaviour of customers is generally not expected.

Trade receivables in EUR thousand

	01/01/2022	Currency translation	Other changes	12/31/2022
Nominal value of receivables	122,960	2,516	14,709	140,185
Valuation allowances	– 3,548	– 38	– 704	– 4,290
Book value of receivables	**119,412**	**2,478**	**14,005**	**135,895**

	01/01/2021	Currency translation	Other changes	12/31/2021
Nominal value of receivables	91,499	3,033	28,428	122,960
Valuation allowances	– 4,559	– 101	1,112	– 3,548
Book value of receivables	**86,940**	**2,932**	**29,540**	**119,412**

The nominal value of the receivables on which the value adjustments are based as of the balance sheet date results from December of the reporting year with 78.1 (72.7) million euros, from November and October with 44.4 (36.9) million euros and from September with 5.6 (5.2) million euros. 12.1 (8.2) million euros resulted from the time before.

The credit risk from derivative financial instruments consists in the risk of default of a contractual partner and therefore in the maximum amount of the recognized positive fair values less the negative fair values with the same contractual partner. Since financial transactions are only concluded and maintained with counterparties with good creditworthiness, the actual risk of default can be considered as rather low. Risk concentrations in the finance area are avoided by broadly spreading transactions and deals among a number of banks with good ratings. The banks' creditworthiness is checked continuously.

Liquidity risk

Liquidity risk is understood as the risk of not being able to meet payment obligations at any time. The following table lists the contractually agreed interest payments and repayments from original financial liabilities as well as incoming and outgoing payments from derivative financial liabilities and assets at December 31, 2022. There were no financial guarantees. Foreign currency amounts were translated into the reporting currency euro at the respective closing rate at the reporting date.

Maturity analysis as of December 31, 2022 in EUR thousand

	Cash flow 2023	Cash flow 2024	Cash flow 2025 – 2027	Cash flow 2028 – 2032	Cash flow 2033...
Original financial liabilities					
Liabilities to banks	– 27,699	– 11,251	– 16,595	0	0
Lease liabilities	– 20,465	– 14,014	– 23,107	– 9,158	– 4,805
Finance liabilities to affiliated companies	– 3,762	0	0	0	0
Trade payables	– 63,036	0	0	0	0
Other liabilities	– 34,264	– 575	– 1,480	0	0
Derivative financial receivables					
Outgoing payments	– 60,924	0	0	0	0
Connected incoming payments	61,647	0	0	0	0
Derivative financial liabilities					
Outgoing payments	– 18,694	0	0	0	0
Connected incoming payments	18,169	0	0	0	0

Maturity analysis as of December 31, 2021 in EUR thousand

	Cash flow 2022	Cash flow 2023	Cash flow 2024 – 2026	Cash flow 2027 – 2031	Cash flow 2032...
Original financial liabilities					
Liabilities to banks	– 13,704	0	– 9,000	0	0
Lease liabilities	– 16,654	– 19,295	– 28,926	– 14,252	– 6,037
Finance liabilities to affiliated companies	– 7,038	0	0	0	0
Trade payables	– 47,070	0	0	0	0
Other liabilities	– 40,324	– 481	– 1,955	0	0
Derivative financial receivables					
Outgoing payments	– 47,946	0	0	0	0
Connected incoming payments	48,432	0	0	0	0
Derivative financial liabilities					
Outgoing payments	– 80,279	0	0	0	0
Connected incoming payments	79,248	0	0	0	0

TAKKT has considerable unused short- and long-term credit lines with a number of German and international banks amounting to EUR 204.1 million (EUR 235.3 million). Thus, the liquidity risk resulting from the maturities is largely negligible.

Market price risk

The term 'market price risk' relates to the risk that the fair value or the future cash flows of a financial instrument change due to fluctuations in market prices. In the case of TAKKT, market price risk mainly comprises currency and interest rate risks. In the following paragraphs, for each type of risk, the financial instruments on the books at the reporting date will be described in detail.

The following sensitivity analyses of market price risks show which effects on profits and equity there would have been if financial instruments recorded at the closing date had been affected by hypothetical changes in different relevant risk variables. The assumption is that the volume of financial instruments at the closing date was representative for the full year and that the assumed changes in risk variables at the closing date were reasonable.

Currency risk

The table below shows the hedged nominal volumes and the market values of the respective currency hedges. As in the previous year, contracts have maturities of up to one year. No netting of currency derivatives was undertaken.

Currency hedging in EUR thousand

	Nominal value		Market value	
	2022	2021	**2022**	2021
Assets				
Currency derivatives designated as cash flow hedges	34,790	18,481	645	325
Currency derivatives without hedge accounting	25,606	29,916	77	161
Liabilities				
Currency derivatives designated as cash flow hedges	12,591	55,221	– 509	– 964
Currency derivatives without hedge accounting	5,934	25,114	– 16	– 66
	78,921	**128,732**	**197**	**– 544**

Currency derivatives designated as cash flow hedges

TAKKT is exposed to currency risks because a limited volume of purchases and sales of products and services (less than ten percent of consolidated sales) is in different currencies.

The expected net foreign currency cash flows within the TAKKT Group are hedged currency instruments for a period of 12 months at an average of 50% on a rolling basis. The currency instruments can be designated as effective cash flow hedges and were not associated with any significant ineffectiveness until the balance sheet date. Exchange rate differences of the underlying currencies impact other components of equity through changes in the fair value of the hedge instruments. They are therefore considered in equity-related sensitivity calculations.

In the 2022 financial year, gains after deferred taxes totaling EUR 110 thousand (losses of EUR 446 thousand) resulting from changes in the fair values of foreign exchange derivatives were recorded in Other comprehensive income without affecting profit. These changes in valuation represent the effective part of the hedge relationship. In addition, losses of EUR 448 thousand (EUR 647 thousand) recorded in Other comprehensive income were transferred to the statement of income (under Other operating expenses). With the payments taking place within the next twelve months, TAKKT expects that losses recorded in Other comprehensive income amounting to EUR 110 thousand after deferred taxes will be transferred to the statement of income.

Broken down by currency, the designated transactions underlying the cash flow hedges have the following maturities:

Underlying currency derivative transactions in EUR thousand

	2022		2021	
	Cash flow 2023	**Cash flow 2024...**	**Cash flow 2022**	**Cash flow 2023...**
CAD	4,917	0	5,628	0
CHF	20,047	0	31,768	0
CZK	1,474	0	1,886	0
DKK	1,066	0	1,735	0
GBP	6,517	0	7,321	0
HUF	1,809	0	2,677	0
NOK	1,425	0	2,133	0
PLN	323	0	507	0
RON	406	0	297	0
SEK	1,817	0	1,876	0
USD	– 7,580	0	– 17,874	0

Currency derivatives without hedge accounting

Intercompany loans involving more than one currency are hedged with forward foreign exchange contracts. This locks in prices for intercompany financing transactions. Accordingly, the Group is not exposed to any risk from exchange rate movements. While the individual company can establish a relationship between the derivative instrument and the underlying transaction, the underlying transaction is eliminated in the context of the Group's debt consolidation. From the Group's perspective, the derivative is therefore no longer used for hedging purposes. Fluctuations in exchange rates in the underlying currencies trigger changes in market values with regard to the derivatives and the related intercompany loans causing counteracting changes in Other finance result and are therefore included in the profit-based sensitivity calculation.

Foreign currency receivables or payables against third parties at individual companies are also hedged economically using forward foreign exchange contracts, if necessary. Here, fluctuations in exchange rates of the underlying currencies also lead to counteracting fluctuations in profit through changes in market value of the derivative instrument as well as the corresponding receivables and payables and are therefore also included in the profit-based sensitivity calculation.

No fair value hedge accounting is applied.

The following table lists the effects of a theoretical change in the EUR / CHF, EUR / USD and EUR / GBP exchange rates on the profit before tax as well as on equity at the reporting date. Other exchange rate fluctuations have no material effect on profit or equity. Influences on the balance sheet and statement of income resulting from the translation of separate financial statements into the reporting currency euro (known as translation risks) are not included.

Sensitivity analysis for currency fluctuations in EUR thousand

12/31/2022	Increase / decrease	Effect on profit before tax	Effect on shareholders' equity without impact on profits
EUR / CHF	+10%	– 11	+1.993
EUR / CHF	-10%	+11	– 1,993
EUR / USD	+10%	+29	– 457
EUR / USD	-10%	– 36	+457
EUR / GBP	+10%	– 99	+634
EUR / GBP	-10%	+99	– 634

12/31/2021	Increase / decrease	Effect on profit before tax	Effect on shareholders' equity without impact on profits
EUR / CHF	+10%	-4	+3.184
EUR / CHF	-10%	+4	-3.184
EUR / USD	+10%	+72	-693
EUR / USD	-10%	-89	+693
EUR / GBP	+10%	-21	+724
EUR / GBP	-10%	+18	-724

Interest rate risk

TAKKT's general objective with interest rate swaps is to transform floating rate into fixed rate financing.

A potential change in creditworthiness and therefore the credit margin of the debtor is not part of this hedge. The effective part of the interest rate swaps is recorded at fair value without an effect on profits. In the case of interest rate swaps which qualify as cash flow hedges, changes in market interest rates cause fluctuations in both the other components of equity (changes in fair value) and the finance expense (compensation payments). These financial instruments are therefore taken into account in equity and profit-related sensitivity calculations.

In the reporting year as well as in the prior year, at TAKKT no interest rate swaps were concluded. As a result, no interest rate swaps were designated as cash flow hedges to hedge future interest payments.

Without interest rate swaps and thus without changes in fair values, there were no gains or losses to be recognized in Other comprehensive income or gains or losses recognized in equity to be transferred to the income statement.

Underlying interest rate derivative transactions

The TAKKT Group is financed by means of long-term bilateral credit lines, which are usually made use of on a revolving basis with a short-term fixed-rate period. TAKKT uses derivative financial instruments to hedge against rising market interest rates and therefore potentially increasing future interest payments. The target hedge level for the interest rate risk that is generally aimed for is between 60 and 80 percent of the financing volume. In the financial year and in the previous year, hedging by means of interest rate swaps was waived.

Other financial instruments

Floating rate financial instruments are included in the profit-related sensitivity calculation since interest rate changes affect the financial result.

Non-interest-bearing financial instruments (e. g. trade receivables and payables) are generally not subject to interest rate risks. Only if changes in market interest rates have an influence on financial instruments recognized at fair value they are considered in the sensitivity calculation.

The following table lists the sensitivity of the profit before tax and equity in case of a theoretical change in the level of market interest rates relating to the financial instruments at the closing date which would have been exposed to such a change in the interest rate level. Fluctuations in interest rates in currency areas other than those shown do not have a significant impact on the profit or equity. Financial instruments with a fixed interest rate and a remaining term of less than one year are included in the analysis. It is assumed, that the level is representative for the whole year and that the assumed change of the market interest level was possible.

Sensitivity analysis for interest rate fluctuations in EUR thousand

12/31/2022	Increase / decrease in basis points	Effect on profit before tax	Effect on shareholders' equity without impact on profits
EUR	+100/–100	-90/+90	-112/+112
CHF	+100/–100	+18/-18	+78/-78
USD	+100/–100	-291/+291	-46/+47
GBP	+100/–100	-16/16	+36/-36

12/31/2021	Increase / decrease in basis points	Effect on profit before tax	Effect on shareholders' equity without impact on profits
EUR	+100/–100	-158/+158	-178/+179
CHF	+100/–100	-17/+17	+136/-136
USD	+100/–100	-69/+69	-96/+97
GBP	+100/–100	-62/+62	+76/-76

5. OTHER NOTES

Notes to the statement of cash flows

The statement of cash flows has been derived from the consolidated financial statements of the TAKKT Group and prepared in accordance with IAS 7 Statement of Cash Flows. It shows changes in cash and cash equivalents during the financial year on the basis of cash transactions. Cash flows are reported separately according to source and application of funds into operating, investing, and financing activities. Operating cash flows are presented according to the indirect method, cash flows from investing and financing activities according to the direct method. To adjust for exchange rate effects, the individual items of the opening balance were translated at the respective exchange rates at the closing date. These figures were compared with the closing statement of the financial position.

The key figure TAKKT cash flow is used in financial communication. The TAKKT cash flow is calculated from EBITDA less financial result, current income tax and the balance from other non-cash expenses and income as well as non-cash income and losses on disposals of fixed assets. TAKKT cash flow shows the operational cash flow earned in the reporting period before the effects from the changes in net working capital.

Capital expenditure relates mainly to maintenance, expansion and modernization of the business. The cash inflows from the disposal of non-current assets in the previous year were mainly attributable to the sale of minority interests.

Cash flow from operating activities increased significantly to EUR 84,421 thousand (EUR 56,323 thousand). The cash outflow for the build-up of net working capital was slightly lower than in the previous year at EUR 30,721 thousand (EUR 37,941 thousand). In anticipation of further price increases due to high inflation and in order to improve delivery capacity, TAKKT placed a large number of orders in the first half of the year and increased inventories by EUR 40,205 thousand. In the second half of the year, the Group benefited from the improved delivery capability and sold off existing inventory. In total, the cash outflow for inventory build-up in 2022 was EUR 15,398 thousand. Trade receivables also increased due to the good growth and rose by EUR 15,970 thousand. The cash flow from operating activities includes interest receipts of EUR 30 thousand (EUR 306 thousand) and interest payments of EUR 4,380 thousand (EUR 3,367 thousand). In 2022, income taxes of EUR 10,221 thousand (EUR 17,762 thousand) were paid.

Cash flow from financing activities includes payments from transactions with owners as well as payments from changes in financial liabilities. The transactions with owners are related to the distribution of dividends to the shareholders of the TAKKT AG in the amount of EUR 72,171 thousand (EUR 72,171 thousand) and the share buy-back with EUR 6,524 thousand (EUR 0 thousand). The cash-effective changes of the financial liabilities concern the incoming and outgoing payments in order to borrow or repay financial liabilities.

The following table shows both the cash and non-cash changes in financial liabilities in EUR thousand:

	01/01/2022	Payment effective change	Non-cash change			12/31/2022
			Currency translation	Additions leasing	Other	
Liabilities to banks	22,704	32,059	320	0	0	55,083
Lease liabilities	75,415	– 15,370	1,648	2,000	– 256	63,437
Finance liabilities to affiliated companies	7,038	– 2,866	– 410	0	0	3,762
Other	2,629	– 787	1	0	124	1,967
	107,786	**13,036**	**1,559**	**2,000**	**– 132**	**124,249**

	01/01/2021	Payment effective change	Non-cash change			12/31/2021
			Currency translation	Additions leasing	Other	
Liabilities to banks	1,263	21,352	89	0	0	22,704
Lease liabilities	78,999	– 14,565	3,111	8,554	– 684	75,415
Finance liabilities and accordingly recei-vables to affiliated companies	– 3,141	11,911	– 1,732	0	0	7,038
Other	2,598	– 80	10	0	101	2,629
	79,719	**18,618**	**1,478**	**8,554**	**– 583**	**107,786**

Cash and cash equivalents include checks, cash on hand and bank balances with a term of up to three months and comprise the balance sheet item Cash and cash equivalents. These were not netted off against short-term financial liabilities. The cash and cash equivalents are not subject to any restrictions on disposal.

Notes to the segment reporting

Segment reporting 2022 of the TAKKT Group in EUR thousand

	Industrial & Packaging	Office Furniture & Displays	Food Service	Segments total	Others	Consoli-dation	Group total
Sales to third parties	724,998	324,665	287,112	1,336,775	0	0	1,336,775
Inter-segment sales	11	8	0	19	0	– 19	0
Segment sales	725,009	324,673	287,112	1,336,794	0	– 19	1,336,775
Other non-cash expenses (+) and income (–)	1,295	392	2,777	4,464	– 810	0	3,654
EBITDA	102,511	31,254	19,693	153,458	– 21,336	0	132,122
Depreciation and amortization of segment assets	25,882	8,354	4,308	38,544	1,277	0	39,821
Impairment of segment assets	11,278	230	0	11,508	0	0	11,508
EBIT	65,350	22,670	15,385	103,405	– 22,612	0	80,793
Finance expenses	– 3,852	– 2,670	– 2,741	– 9,263	– 3,019	6,656	– 5,626
Interest and similar income	282	9	– 2	289	6,397	– 6,656	30
Profit before tax	61,609	20,009	12,642	94,260	– 18,319	0	75,941
Income tax expense	– 13,121	– 5,376	– 3,485	– 21,982	5,326	0	– 16,656
Profit	48,488	14,633	9,157	72,278	– 12,993	0	59,285
TAKKT cash flow	82,986	27,461	17,475	127,922	– 12,780	0	115,142
Segment assets	667,478	234,776	268,170	1,170,424	292,022	– 340,923	1,121,523
thereof deferred tax and income tax receivables	1,440	0	551	1,991	9,001	– 2,494	8,498
investment in non-current assets	10,340	2,744	1,155	14,239	332	0	14,571
Segment liabilities	310,682	128,034	147,304	586,020	176,582	– 340,923	421,679
thereof deferred tax and income tax payables	23,240	28,734	34,743	86,717	812	– 2,494	85,035
thereof financial liabilities (non-current and current)	173,324	61,972	76,324	311,620	144,701	– 332,072	124,249
Average no. of employees (full-time equivalent)	1,528	511	388	2,427	58	0	2,485
Employees at the closing date (full-time equivalent)	1,485	504	388	2,377	60	0	2,437

Segment reporting 2021 of the TAKKT Group in EUR thousand

	Industrial & Packaging	Office Furniture & Displays	Food Service	Segments total	Others	Consoli-dation	Group total
Sales to third parties	694,137	259,741	224,094	1,177,972	0	0	1,177,972
Inter-segment sales	14	49	0	63	0	– 63	0
Segment sales	694,151	259,790	224,094	1,178,035	0	– 63	1,177,972
Other non-cash expenses (+) and income (–)	– 1,271	– 691	1,161	– 801	– 585	0	– 1,386
EBITDA	92,030	18,507	18,655	129,192	– 16,552	0	112,640
Depreciation and amortiza-tion of segment assets	25,025	7,939	4,460	37,424	1,045	0	38,469
Impairment of segment assets	248	0	0	248	0	0	248
EBIT	66,757	10,568	14,195	91,520	– 17,597	0	73,923
Income from associated companies	2,479	0	0	2,479	10	0	2,489
Finance expenses	– 3,491	– 2,014	– 896	– 6,401	– 1,466	3,875	– 3,992
Interest and similar income	146	23	5	174	4,007	– 3,875	306
Profit before tax	65,333	8,577	13,304	87,214	– 14,403	0	72,811
Income tax expense	– 14,253	– 2,487	– 3,806	– 20,546	4,762	0	– 15,784
Profit	51,080	6,090	9,498	66,668	– 9,641	0	57,027
TAKKT cash flow	71,449	14,730	16,148	102,327	– 8,063	0	94,264
Segment assets	663,656	227,861	252,751	1,144,268	288,061	– 316,956	1,115,373
thereof deferred tax and income tax receivables	2,225	0	227	2,452	16,306	– 5,197	13,561
Investment in non-current assets	13,074	4,024	806	17,904	443	0	18,347
Segment liabilities	330,306	134,270	123,812	588,388	149,917	– 316,956	421,349
thereof deferred tax and income tax payables	21,672	23,464	31,560	76,696	754	– 5,197	72,253
thereof financial liabilities (non-current and current)	180,105	65,990	53,401	299,496	131,770	– 323,480	107,786
Average no. of employees (full-time equivalent)	1,535	479	364	2,378	49	0	2,427
Employees at the closing date (full-time equivalent)	1,578	498	369	2,445	51	0	2,496

Segment reporting by geographical region 2022 of the TAKKT Group in EUR thousand

	Germany	Europe without Germany	USA	Other	Group total
Sales to third parties	279,163	465,379	575,108	17,125	1,336,775
Non-current assets*	368,096	74,021	319,959	37	762,113

* Non-current assets excluding financial instruments and deferred tax assets.

Segment reporting by geographical region 2021 of the TAKKT Group in EUR thousand

	Germany	Europe without Germany	USA	Other	Group total
Sales to third parties	268,235	448,772	448,594	12,371	1,177,972
Non-current assets*	372,655	100,898	308,472	30	782,055

* Non-current assets excluding financial instruments and deferred tax assets.

Within the scope of segment reporting under IFRS 8 Operating Segments, the activities of the TAKKT Group are broken down according to the organizational structure. The breakdown is carried out according to the management approach. Correspondingly, segment reporting is presented on the basis of internal reporting to the Management Board of TAKKT AG as the chief operating decision maker. The reportable segments follow the new organizational structure and correspond to the focus on three business models for three product categories and sales markets. The fundamental segment result for controlling purposes is the EBITDA.

By the end of 2021, TAKKT was divided into three divisions along different sales channels. Since the beginning of 2022, the Group has addressed the market through the following three segments: Industrial & Packaging, Office Furniture & Displays and FoodService. Each segment has a focused product portfolio that is primarily focused on a specific working environment. TAKKT AG coordinates and is responsible for supporting group functions such as IT, logistics, HR and finance. The prior-year figures have been adjusted accordingly.

Segment reporting uses the same accounting standards as the consolidated financial statements. Intra-group transfers are valued at internal prices calculated on the basis of the cost-plus method and checked for plausibility using an arm's-length comparison wherever possible. This cost-plus method complies with OECD (Organization for Economic Co-operation and Development) principles. The same system was used in the previous year.

Investment in non-current segment assets comprises additions to Property, plant and equipment, to Other intangible assets and to long-term financial assets. Investments from acquisition of subsidiaries are not included.

The product portfolio of the **Industrial & Packaging** segment is focused on the working environment of the factory floor or warehouse in the manufacturing industry and logistics. This includes the following mainly European sales brands:

Kaiser+Kraft, Certeo, büromöbelonline, Gerdmans and Runelandhs, which offer products for transportation, plant, warehouse and office equipment in more than twenty countries in Europe. Customers include industrial enterprises as well as companies from the areas of service and retail and public bodies.

As packaging specialists, Ratioform and Davpack offer around 14,000 different articles in seven European countries for companies in different industries.

OfficeFurnitureOnline and BiGDUG offer office furniture and equipment such as desks, chairs, cabinets or workbenches to small and medium-sized companies, especially in Great Britain.

The product portfolio of the **Office Furniture & Displays** segment is geared towards the working world of service providers. This includes, for example, office equipment for everyday use in the company or for work at home. This includes the following brands, which are mainly active in the USA:

National Business Furniture and OfficeFurniture.com offer products in the area of office equipment. In addition to companies, its customers include government agencies, the health care sector, schools and churches.

Displays2go offers approximately 13,000 merchandising products in the US, including advertising banners, digital display stands, mobile trade booths and stand-up displays. Mydisplays offers a similar range in Germany.

The product portfolio of the **FoodService** segment is geared towards the working world of hotels, restaurants and catering. The segment offers, among other things, products that are required for the preparation and presentation of food and groceries. This includes the following brands with a focus on North America:

Hubert as well as Retail Resource sell equipment for the food service sector and food retailers. The customers include large canteens and catering businesses.

Central Restaurant Products sells restaurant equipment. Central customer group are restaurant operators.

XXLhoreca, based in the Netherlands, is a specialized e-commerce retailer in catering equipment and mainly supplies hotels, restaurants, canteens and catering companies.

The segment reporting´s column **Others** discloses TAKKT AG, in which the key functions of the Group are concentrated, TAKKT America Holding and TAKKT Beteiligungsgesellschaft with its investments in start-ups, which do not satisfy the definition of a reportable segment according to IFRS 8 Operating Segments.

Geographical information
Sales to third parties are allocated according to customer location; non-current assets are allocated according to where the owning unit is located.

Leasing

Book values in connection with leases in EUR thousand

	2022	2021
Recognized under property, plant and equipment		
Land, buildings and similar assets	53,874	64,462
Plant, machinery and equipment	705	1,231
	54,579	**65,693**
Recognized under financial liabilities		
Non-current lease liabilities	44,670	60,659
Current lease liabilities	18,767	14,756
	63,437	**75,415**

Additions to right-of-use assets for financial year 2022 amounted to EUR 2,000 thousand (EUR 8,695 thousand). Of this amount, EUR 1,882 thousand (EUR 8,035 thousand) related to additions to right-of-use assets for buildings and EUR 118 thousand (EUR 660 thousand) to additions to right-of-use assets for vehicles.

Income and Expenses in connection with leases in EUR thousand

	2022	2021
Scheduled depreciation of right-of-use assets for land, buildings and similar assets	13,363	12,549
Scheduled depreciation of right-of-use assets for plant, machinery and equipment	631	961
Impairment of right-of-use assets	83	247
Interest expenses of lease liabilities	2,043	2,212
Expenses for variable lease payments not included in lease liabilities	15	30
Expenses for short-term leases (12 months or less, other than real estate)	717	296
Expenses for leases of low-value assets, excluding short-term leases	299	397
Expenses	**17,151**	**16,692**
Income from sub-leasing of rights of use	192	269
Income	**192**	**269**

Total lease payments in 2022 amounted to EUR 18,444 thousand (EUR 17,500 thousand).

Payments for variable lease liabilities as well as payments for short term and low value leases of EUR 1,031 thousand (EUR 723 thousand) and interest payments on lease liabilities of EUR 2,043 thousand (EUR 2,212 thousand) are recognized in cash flow from operating activities. The repayment of lease liabilities of EUR 15,370 thousand (EUR 14,565 thousand) is recognized in cash flow from financing activities.

TAKKT leases various office and warehouse buildings as well as vehicles. Lease agreements are generally concluded for fixed periods of between 12 months and 10 years but may include extension and termination options. As of December 31, 2022, possible future cash outflows of EUR 71,091 thousand (EUR 69,795 thousand) were not taken into consideration for the measurement of lease liabilities as it is not reasonably certain that these leases will be extended respectively termination options will not be exercised. The future obligations arising from leases already concluded but not commenced as of December 31, 2022, amounts to EUR 2,176 thousand (EUR 40 thousand).

Contingent liabilities and receivables

As in prior year, material contingent liabilities and receivables do not exist.

Capital management

The overriding goal of the TAKKT Group's capital management is to optimize and maintain a solid capital structure in order to secure the necessary flexibility and scope for value-adding investments. Total equity and net financial liabilities constitute the basic values for the capital management. In principle, the instruments available for capital management include dividend payments and measures relating to equity and debt financing. TAKKT is not subject to any external minimum capital requirements.

The Group monitors and steers its capital structure based on long-term financial planning and specific self-imposed covenants. For each of these key figures, TAKKT has internally determined critical thresholds. The Group's total equity ratio target is between 30 and 60 percent. For gearing, the long-term target is below 1.5. The target for the debt repayment period is less than five years. For the interest cover ratio, another index for the company's financial stability, the aim is a figure above four. The Management Board is regularly informed about the development of these key figures.

Internal covenants in EUR thousand

	2022	2021
Total equity	699,844	694,024
/ Total assets	1,121,523	1,115,373
Equity ratio (in percent)	**62.4**	**62.2**
Financial liabilities / -receivables	124,249	107,786
./. Cash and cash equivalents	7,566	2,787
Net financial liabilities	116,683	104,999
/ Total equity	699,844	694,024
Gearing	**0.2**	**0.2**
Average net financial liabilities	135,286	83,806
/ TAKKT cash flow	115,142	94,264
Debt repayment period (in years)	**1.2**	**0.9**
Operating result before Goodwill impairment	80,793	73,923
/ Net interest expense (= Finance expenses less Interest and similar income)	5,596	3,686
Interest cover	**14.4**	**20.1**

Steering the results of the individual Group companies at TAKKT Group is conducted through a system of financial key management figures. In this context, the EBITDA serves as benchmark for the short-term operating profitability and the TAKKT value added as material key figure within the scope of long-term value-based controlling. For more details on value-based corporate management, please refer to sections management system and company performance on page 41 et seqq. and page 62 et seqq. of the annual report.

Interests in unconsolidated structured entities

Like in prior year, as per December 31, 2022, TAKKT has leased one warehouse from a leasing company which is classified as unconsolidated structured entity. The leasing company has constructed the warehouse especially for TAKKT and rents it to the Group. TAKKT neither has interests in the company nor has TAKKT the power to decide about the activities relevant for the variable returns on the basis of contractual regulations. The company is fully financed by external banks.

The book value of the right-of-use assets and the lease liability are recognized in accordance with IFRS 16. Overall, this results in the assets and liabilities shown in the following table.

Book values associated with unconsolidated structured entities in EUR thousand

	2022	2021
Land, buildings and similar assets	5,502	5,949
Non-current lease liabilities	0	4,631
Current lease liabilities	4,631	392

As of the balance sheet date, other financial obligations that correspond to the minimum lease payments amount t to EUR 4,758 thousand (EUR 5,316 thousand). There are no exposures to loss according to IFRS 12 Disclosure of Interests in Other Entities.

Changes in contingent considerations

A variable purchase price component of up to EUR 15.0 million was agreed for XXLhoreca, which was acquired with effect from May 03, 2019. The amount of the purchase price component depended on the achievement of a cumulative earnings figure over the years 2020 and 2021. This purchase price component did not lead to any payment, therefore no purchase price liability has been recognized in the previous year.

Events after the reporting period

There were no significant events which had any meaningful impact on the net assets, financial position and results of operation after the reporting date.

Staff participation model

Executives of the TAKKT Group have the option of subscribing for TAKKT Performance Bonds. The term of the TAKKT Performance Bonds is five years. Premature termination is only permitted in specific cases. The interest rate of the subordinated TAKKT Performance Bonds is calculated annually. It includes a basic interest yield plus a subordination premium, plus a positive respectively minus a negative TAKKT value added spread. The minimum yield is zero percent per annum. The maximum yearly yield is capped. The TAKKT value added is defined as the difference between the operating profit after tax generated by the company and the cost of capital on the average capital employed. The profit after taxes is defined as EBIT (adjusted for amortization of intangible assets from the acquisition of companies), reduced by the Income tax expense and increased by the Other financial result. The TAKKT Performance Bonds amount to EUR 1,967 thousand (EUR 2,629 thousand) and are disclosed as Other under Financial liabilities. An interest expense of EUR 124 thousand (EUR 101 thousand) was posted in the year under review. In the reporting year 2020, the subscription option was suspended once.

Additionally, German employees had again the opportunity to purchase employee shares in the year under review. Shares acquired at the stock exchange for this purpose were sold to employees in early 2022. In total, 12,675 (12,150) shares were acquired by 299 (274) employees. This corresponds to a participation of 25.6 (25.6) percent of all eligible persons.

German corporate governance code

The declaration on the recommendations made by the Government Commission of the German Corporate Governance Code required under section 161 AktG was issued as of December 31, 2022, and made available to the shareholders on the website of TAKKT AG.

Related entities transactions

Related entities in the sense of IAS 24 include the TAKKT Group's associated companies and the majority shareholder Franz Haniel & Cie. GmbH, Duisburg / Germany (including its subsidiaries and associated companies). Related-party transactions mainly relate to the cash management system, ongoing delivery and settlement transactions and service contracts. By participating in Haniel Group's cash management system, TAKKT Group benefits from potential economies of scale. All transactions with related entities are contractually agreed and performed on terms that are customary for transactions with third parties.

Related entity transactions in EUR thousand

	Franz Haniel & Cie. GmbH / service companies		Divisions of Haniel Group		Associated companies Haniel Group		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Turnover / Other income	3	23	1,349	497	13	139	1,365	659
Cost of Sales / Other expenses	951	1,419	408	555	0	0	1,359	1,974
Finance expense	113	21	0	0	0	0	113	21
Short-term receivables	0	0	91	150	0	2	91	152
Short-term payables	3,762	7,038	9	7	0	0	3,771	7,045

TAKKT has relationships in the normal course of the business with numerous entities that are also customers and / or suppliers. These customers and / or suppliers include companies that have a connection with members of the Management Board or of the Supervisory Board of TAKKT.

Related persons transactions

Related persons in the sense of IAS 24 include the Management and Supervisory Boards of TAKKT AG (including any and all persons related to these Boards) and the Management and Supervisory Board members of the majority shareholder Franz Haniel & Cie. GmbH, Duisburg / Germany, (including any and all persons related to these Boards). Related-party transactions mainly relate to service contracts with the members of TAKKT AG's Management Board. All transactions with related persons are contractually agreed and performed on terms that are customary for transactions with third parties.

Management Board

The total remuneration of the Board members is made up of non-performance-related and performance-related components. The components of performance-based compensation include the Short Term Incentive Plan (STIP), a remuneration component with a short-term and long-term incentive, and the Long Term Incentive Plan (LTIP) in the form of a performance cash plan, a rolling remuneration component with a long-term incentive. The performance cash plans in 2020, 2021 and 2022 and the share-price-based components of the performance cash plans still in operation in 2019 are classified and accounted for as share-based payments with cash settlement in accordance with IFRS 2.

The fixed salaries and benefits and fringe benefits of the Management Board amounted to EUR 824 thousand (EUR 1,485 thousand) in reporting year 2022.

The entitlement for the STIP is fully vested with the activity in the reporting year. The STIP in the financial year amounted to EUR 1,432 thousand (EUR 1,377 thousand). This includes an overuse of the provision in the amount of EUR 27 thousand (EUR 0 thousand).

In accordance with IFRS 2, the total expense or income for the performance cash plans comprises the fair value of the entitlement earned in the respective financial year of issuance plus the change in value of entitlements already earned under the performance cash plans of previous years. The performance cash plan liability is remeasured at each reporting date and at the settlement date. The measurement is based on the expected development of the relevant performance factors. The income from the valuation of the performance cash plans amounted in the reporting year to EUR 387 thousand (in the previous year expense of EUR 2,839 thousand). The fair value of the 2019, 2020, 2021 and 2022 performance cash plans (2018, 2019, 2020 and 2021) as well as the corresponding provision amounted to EUR 432 thousand (EUR 2,059 thousand) as of the reporting date.

Expenses of EUR 325 thousand (EUR 462 thousand) relate to post-employment benefits. As of the reporting date, the defined benefit obligation for the Management Board members amounted to EUR 2,955 thousand (EUR 3,743 thousand).

In total, the expense for the remuneration of the Management Board according to IFRS in the financial year 2022 amounts to EUR 2,194 thousand (EUR 6,163 thousand).

The remuneration for the members of the Management Board of TAKKT AG in office in the financial year pursuant to section 314 of the German Commercial Code (HGB) amounts to a total of EUR 2,626 thousand (EUR 3,386 thousand). Of this amount, EUR 824 thousand (EUR 1,485 thousand) is attributable to non-performance-related components and EUR 1,802 thousand (EUR 1,901 thousand) to performance-related components. Of the performance-related components, EUR 1,405 thousand (EUR 1,377 thousand) relates to the STIP and EUR 397 thousand (EUR 524 thousand) to the LTIP. For the LTIP, the value of the performance cash plan issued in the respective reporting year at the date of the time of granting is stated.

For termination benefits, EUR 1,907 thousand (EUR 640 thousand) were recognized in the income statement.

As of December 31, 2022, the Management Board members held no shares of TAKKT AG, as in the previous year. There are liabilities to the members of the Management Board from TAKKT Performance Bonds of EUR 221 thousand (EUR 113 thousand). In addition, there are pension obligations to the members of the Management Board from the voluntary conversion of part of the target achievement into a pension plan (i.e., deferred compensation) in the amount of EUR 373 thousand (EUR 550 thousand). In the financial year, the Management Board members voluntarily contributed EUR 50 thousand (EUR 0 thousand) from the STIP target achievement to this plan.

Remuneration granted to former members of the Management Board of TAKKT AG and their surviving dependents in 2022 amounted to EUR 401 thousand (EUR 398 thousand). Pension provisions for former members of the Management Board and their surviving dependents totaled to EUR 16,814 thousand (EUR 15,992 thousand) as of December 31, 2022.

Supervisory Board

Remuneration paid to the TAKKT AG Supervisory Board amounted to EUR 452 thousand (EUR 434 thousand), of which EUR 410 thousand (EUR 405 thousand) were for activities in relation to the Supervisory Board, EUR 27 thousand (EUR 14 thousand) for activities in relation to the committees as well as EUR 15 thousand (EUR 15 thousand) for attendance fees. The member of the works council on the Supervisory Board is also entitled to a regular salary as set out in his employment contract which represents an appropriate remuneration for his function respectively work in the Company. The compensation of the Supervisory Board is purely a fixed compensation. Of the claims granted, EUR 437 thousand (EUR 419 thousand) were still recorded as liabilities as of the end of the reporting period. As of December 31, 2022, the Supervisory Board members held 140 (140) shares in TAKKT AG.

Detailed explanation of the remuneration of the Supervisory Board can be found in the Remuneration Report on page 174 et seqq.

Fees for Group Auditor in EUR thousand

	2022	2021
Audit services	449	399
Other assurance services	6	16
Tax advisory services	0	0
Other services	31	33
	486	**448**

Other assurance services mainly relate to EMIR audits. Other services primarily include audit-related services.

Declaration of shareholders' holdings

Outside the reporting requirements of the German Securities Trading Act (WpHG), Franz Haniel & Cie. GmbH, Duisburg, voluntarily notified us in February 2023 that it owned 65.0 (59.45) percent of the no-par-value bearer shares with voting rights in the share capital of TAKKT AG as of December 31, 2022.

For the notification of voting rights as per section 40(1) of the German Securities Trading Act (WpHG), please refer to our website.

Exemption from disclosure obligations

Pursuant to section 264(3) of the German Commercial Code (HGB), the following companies included in the consolidated financial statements are exempt from the obligation to disclose their financial statements:

KAISER+KRAFT EUROPA GmbH, Stuttgart
KAISER+KRAFT GmbH, Stuttgart
Certeo Business Equipment GmbH, Stuttgart
VHZ Versandhandelszentrum Pfungstadt GmbH, Pfungstadt
Hubert Europa Service GmbH, Pfungstadt
Hubert GmbH, Pfungstadt
UBEN Unternehmensberatung Enzinger GmbH, Waldkirchen
Ratioform Verpackungen GmbH, Pliening
BEG GmbH, Stuttgart
TAKKT Beteiligungsgesellschaft mbH, Stuttgart
Mydisplays GmbH, Burscheid
newport.takkt GmbH, Stuttgart
büromöbelonline GmbH, Stuttgart
TAKKT OCC GmbH, Stuttgart
TAKKT WFC GmbH, Stuttgart

Subsidiaries within TAKKT AG, Stuttgart, as of December 31, 2022

TAKKT AG, Stuttgart, described as number 1 in the following overview, holds interests in the following companies:

No.	Group companies	held by no.	interest %
2	TAKKT OCC GmbH, Stuttgart / Germany	1	100.00
3	TAKKT WFC GmbH, Stuttgart / Germany	1	100.00
4	KAISER+KRAFT EUROPA GmbH, Stuttgart / Germany	1	100.00
5	KAISER+KRAFT GmbH, Stuttgart / Germany	4	100.00
6	KAISER+KRAFT Gesellschaft m.b.H., Salzburg / Austria	4	100.00
7	KAISER+KRAFT N.V., Diegem / Belgium	4/15	50.00/50.00
8	KAISER+KRAFT AG, Zug / Switzerland	4	100.00
9	KAISER+KRAFT s.r.o., Prague / Czech Republic	4	100.00
10	KAISER+KRAFT S.A., Barcelona / Spain	4	100.00
11	FRANKEL S.A.S., Massy / France	4	100.00
12	KAISER+KRAFT Ltd., Hemel Hempstead / Great Britain	4	100.00
13	KAISER+KRAFT Kft., Budaörs / Hungary	4	100.00
14	KAISER+KRAFT S.r.l., Fenegrò / Italy	4	100.00
15	Vink Lisse B.V., Lisse / The Netherlands	4	100.00
16	KAISER+KRAFT S.A., Lisbon / Portugal	4	100.00
17	KAISER+KRAFT Sp. z o.o., Warsaw / Poland	4	100.00
18	KAISER+KRAFT OOO, Moscow / Russia	4/5	99.00/1.00
19	KAISER+KRAFT s.r.o., Nitra / Slovakia	4/5	99.90/0.10
20	Gerdmans Inredningar AB, Markaryd / Sweden	4	100.00
21	Gerdmans Kontor-og Lagerudstyr A / S, Nivaa / Denmark	20	100.00
22	Gerdmans Innredninger AS, Sandvika / Norway	20	100.00
23	Gerdmans OY, Espoo / Finland	20	100.00
24	Runelandhs Försäljnings AB, Kalmar / Sweden	20	100.00
25	KAISER+KRAFT Logistics East s.r.o., Syrovice / Czech Republic	4	100.00
26	KAISER+KRAFT s.r.l., Ramnicu Valcea / Romania	25	100.00
27	UBEN Unternehmensberatung Enzinger GmbH, Waldkirchen / Germany	4	100.00
28	BEG GmbH, Stuttgart / Germany	4	100.00
29	VHZ Versandhandelszentrum Pfungstadt GmbH, Pfungstadt / Germany	1	100.00
30	Ratioform Verpackungen GmbH, Pliening / Germany	1	100.00
31	Ratioform Imballaggi S.r.l., Calvignasco / Italy	30	100.00
32	Ratioform Embalajes, S.A., Sant Esteve Sesrovires / Spain	30	100.00

No.	Group companies	held by no.	interest %
33	Ratioform Verpackungen AG, Regensdorf / Switzerland	30	100.00
34	R.F. Verpackungsmittel-Versand G.m.b.H., Vienna / Austria	30	100.00
35	Davenport Paper Co. Ltd., Derby / Great Britain	30	100.00
36	Davpack AB, Markaryd / Sweden	30	100.00
37	newport.takkt GmbH, Stuttgart / Germany	1	100.00
38	TAKKT Beteiligungsgesellschaft mbH, Stuttgart / Germany	37	100.00
39	Mydisplays GmbH, Burscheid / Germany	37	100.00
40	Certeo Business Equipment GmbH, Stuttgart / Germany	37	100.00
41	BiGDUG Ltd., Gloucester / Great Britain	37	100.00
42	Equip4work Ltd., Westlinton / Great Britain	37	100.00
43	büromöbelonline GmbH, Stuttgart / Germany	37	100.00
44	Juma International B.V., Wormerveer / The Netherlands	37	100.00
45	TAKKT America Holding, Inc., Milwaukee / USA	1	100.00
46	Hubert North America Service LLC, Harrison / USA	45	100.00
47	Hubert Company LLC, Harrison / USA	45	100.00
48	Hubert Hong Kong Ltd., Hong Kong / China	46	100.00
49	SPG U.S. Retail Resource LLC, Harrison / USA	45	100.00
50	Hubert Distributing Company, Inc., Markham / Canada	45	100.00
51	Central Products LLC, Indianapolis / USA	45	100.00
52	D2G Group LLC., Fall River / USA	45	100.00
53	Hubert Europa Service GmbH, Pfungstadt / Germany	4	100.00
54	Hubert GmbH, Pfungstadt / Germany	53	100.00
55	National Business Furniture LLC, Milwaukee / USA	45	100.00

REPRESENTATIVE BODIES

Supervisory Board

Thomas Schmidt, Düsseldorf, born November 10, 1971
Chairman
Chairman of the Management Board (CEO) of Franz Haniel & Cie. GmbH, Duisburg

Dr. Johannes Haupt, Ettlingen, born June 29, 1961
Deputy Chairman
Management consultant
Member of the Board of Lenze SE, Aerzen
Member of the Advisory Board of ACO Group SE, Büdelsdorf
Chairman of the Advisory Board of Regionique GmbH, Ettlingen

Dr. Florian Funck, Essen, born March 23, 1971
Member of the Management Board of Franz Haniel & Cie. GmbH, Duisburg
Member of the Supervisory Board of CECONOMY AG, Düsseldorf
Member of the Supervisory Board of Vonovia SE, Bochum
Member of the Supervisory Board of Innovation City Management GmbH, Bottrop
(since June 08, 2022)

Thomas Kniehl, Stuttgart, born June 11, 1965
Employee Customer Support at KAISER+KRAFT GmbH, Stuttgart (until July 15, 2022)
Full-time Works Council member (since July 15, 2022)
Chairman of the Joint Works Council of KAISER+KRAFT GmbH, Stuttgart,
and KAISER+KRAFT EUROPA GmbH, Stuttgart
Chairman of the General Works Council of Franz Haniel & Cie. GmbH, Duisburg
(since June 08, 2022)

Alyssa Jade McDonald-Bärtl, Waldetzenberg, born August 14, 1979 (since May 18, 2022)
General Manager of BLYSS GmbH, Berlin

Aliz Tepfenhart, Grünwald, born November 04, 1974 (since May 18, 2022)
Managing Director of Burda Digital SE, München
CEO of business unit Burda Commerce, München
Chairman of the Board of Cyberport GmbH, Dresden
Chairman of the Board of Cyberport IT-Services GmbH, Starnberg
Chairman of the Board of Silkes Weinkeller GmbH, Mettmann
Member of the Board of BurdaForward GmbH, München
Representative of the shareholders of computeruniverse GmbH, Friedberg
Member of the Board of nebenan.de, Berlin
Member of the Management Board of GEFRO Stiftung GmbH, Memmingen

Dr. Dorothee Ritz, Pullach, born March 21, 1968 (until May 18, 2022)
General Manager of E.ON Energie Deutschland GmbH, Munich

Christian Wendler, Hameln, born July 24, 1962 (until May 18, 2022)
Chairman of the Management Board of Lenze SE, Aerzen

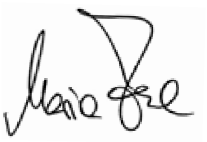
Mangament Board

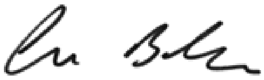
Maria Zesch, Klosterneuburg/Austria, born April 9, 1973
Chairman of the Management Board, CEO
Member of the Supervisory Board of Ottakringer Getränke AG, Vienna/Austria

Dr. Claude Tomaszewski, Stuttgart, born April 25, 1969
Member of the Management Board, CFO (until December 31, 2022)

Lars Bolscho, Stuttgart, born November 06, 1978
Member of the Management Board, CFO (since January 01, 2023)

Stuttgart, March 10, 2023
TAKKT AG
The Management Board





Maria Zesch

Lars Bolscho